

# Advanced Management

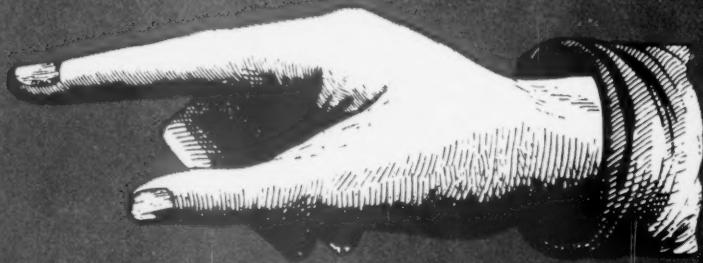
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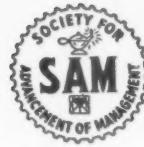
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# Advanced Management

## Progress Through Enlightened Management

### CONTENTS

Molding Organization Climate 5 by Lt. Comdr. Robert J. Massey and Waino W. Suojanen

Presidents, People, and Performance 8 by Samuel L. H. Burk

A Philosophy for Management 11 by Max S. Wortman, jr.

Management Theory in Practice 16 by Robert J. House and John M. McIntyre

Can Executive Success Be Predicted 23 by Thomas R. O'Donovan

### DEPARTMENTS

Editorial 4 — Robert B. Curry and James R. Taylor

Management Bookshelf 27

Interview Case Study

Film, "How's It Going" 28

In-Basket 29

✓-List For Future Events 29

University Division News 30

Senior Chapter News 31

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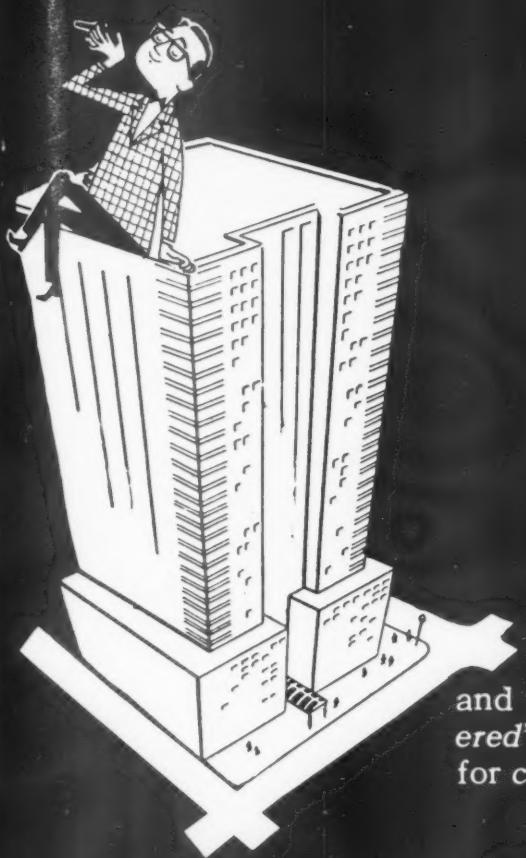
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In the last decade, changes in managerial philosophy and practice have tended to narrow, or even eliminate, once significant distinctions between office management and administrative management; or between general management and management applications to specialized fields. This presents a new concept, a challenge, not only to NOMA and S.A.M., but to all management associations. Once comprehended,

the implications of the concept are startling — to the point of compelling action.

The necessary enabling action already has been provided by the respective Boards of the two associations, and thus, beginning with the January 1962 issue, S.A.M.'S ADVANCED MANAGEMENT and NOMA'S OFFICE EXECUTIVE become parents — parents to a new and broader ADVANCED MANAGEMENT AND OFFICE EXECUTIVE.

AM-O.E. will be more than a merged version of two existing magazines. Its reason for being precludes any such possibility. Instead, it will be a new and vibrant organism — reflecting a new, bold and broad concept in administrative reporting. A more detailed outline of its make-up will appear next month.

*For Executives —*

## *An Exercise in Conceptual Comprehension—and A New Publication in The Field of Administration*

AM

*Editorial*



ROBERT B. CURRY, President,  
Society for Advancement of  
Management



JAMES R. TAYLOR, President,  
National Office Management  
Association

# Molding Organization Climate



Enticing the individual out of his "psychic security shell of non-responsibility" and into decision-making competence via an evaluation system fluent from the bottom upward. Government and business similarities are emphasized. (For a case history of a similar technique, see "Management Theory in Practice," p. 16)

by Lt. Comdr. Robert J. Massey, U.S.N., and Waino W. Suojanen

*(A sequel to Bureaucracy, Command, or Management, by the same authors, which appeared in ADVANCED MANAGEMENT for July-August, 1961.)*

THE EXTENT to which individual members of the organization accept responsibility for achieving the goals of the organization and guide their own conduct accordingly is largely determined by the "climate" within the organization. Climate in turn is but the reflection of the organization's fundamental character. Therefore, the leader who desires to promote among participants responsibility, initiative, and loyalty to the organization's mission, should first look into the fundamental character of the organization. What is the

organization now? Can those who now share its power and shape its character be persuaded, or forced, to permit it to become an "open society," a mission-dominated type of organization?

The desired character of the organization is a policy question of the most fundamental nature. It must be answered before there can be a successful effort to promote initiative, participation, and acceptance of responsibility among the rank and file. Such efforts will be futile as long as the fundamental character of the organization is incompatible with a climate dominated by the logic of the mission. If the power group desires it, or will permit it, how can the institutional character be modified to make it compatible with a mission-oriented climate?



Dr. Suojanen's name is familiar to regular readers of A.M.—he has made consistent contributions to the magazine over the years. Presently assoc. professor, U.S. Naval Postgraduate School, Monterey, Calif., he has served not only as teacher of organization and management, but as consultant and accountant to major corporations in this country. Throughout the world, his many articles have appeared in leading professional journals. Degrees: B.S., 1942, University of Vermont; M.B.A., 1946, Harvard Graduate School of Business Administration; Ph.D., 1955, University of California.

### Operation Bootstrap

In order to bring about the condition where all participants are offered and accept full citizenship in their organizations, several conditions must be met:

1. Before members can be induced to accept full citizenship, the leadership must be induced to grant it. The character of the organization must be made compatible with the guidance inherent in the logic of the mission.
2. Each participant must be persuaded to accept full responsibility for his own administration and its effect upon the goals of the enterprise. He must be induced to forego the psychic security of the shell of non-responsibility, not only for the management of his own office, but for the perfection of the organization as the instrument of its mission.
3. Each member must have access to the information necessary for guiding his personal efforts. He must know the objectives of the organization and how his responsibility fits into the entire structure of purpose.
4. Decision-making authority and freedom to manage must be decentralized. Individual responsibility cannot be assumed in the absence of sufficient authority to influence results in a significant way. Each individual must have clear authority to weigh relevant alternatives and choose those which he believes will best serve the ends of the organization.

### Achieving the Objective

How can these conditions be achieved? Once management has made the decision on the first condition—that it desires a corporate character compatible with the logic of the mission—the other conditions may be accomplished in the same way any other objective is achieved. Individual obligations must be defined, and then controls to measure and facilitate accomplishment of the desired goals must be developed. New systems of rewards and punishments which encourage the desired behavior must be developed and put into effect.

Each member of the organization must be specifically charged with the following:

- To conduct his office in such a manner that the legitimate goals of the organization are achieved with *maximum* efficiency, that is, maximum desired results for any given level of costs.
- To take all measures within his power to help perfect the structure of the organization, its procedures, and

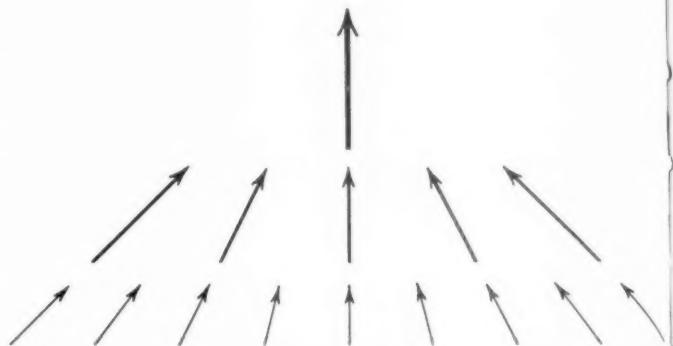
its policies as instruments of the legitimate functions of the organization. Participation should be a clear-cut duty, not merely a privilege.

- To comply with all applicable commands of his superiors and with all necessary instructions.

### A Device to Evaluate Performance

It might appear that such a definition of the obligations of the individual would be an empty gesture—at least in the bureaucratic situations where the measure of the balance sheet is not available—since effective tools for measuring and controlling the demanded performance do not now exist. Though no such system exists now, it can be created. The necessary elements do exist and need only be assembled to be put into operation. The measurement would not be rigidly quantitative, but sufficiently reliable to gauge the extent to which the new demands had been honored.

The proposed system requires a radical departure from customary administrative practice. Traditionally the evaluation of subordinate performance is done solely by higher levels of management. It is proposed that the burden of proof for evaluating the extent to which the proposed demands have been met be shifted to the subordinate. He must prove the case while the hierarchy and its agents merely evaluate the presentation as "proved," "not proved," or "proved in part." The mechanics of the evaluation in-



Proper evaluation of management process for the system described rests upon opening and keeping a clear channel for the upward flow of communication.

volve the use of two available tools: one from business, the other from the law.

The tool from business is the "manager's letter": In this letter to his superior, each manager first defines the objectives of his superior's job and of his own job as he sees them. He then sets down the performance standards which he believes are being applied to him. Next, he lists the things he must do himself to attain these goals—and the things within his own unit he considers the major obstacles. He lists the things his superior and company do that help him and the things that hamper him. Finally, he outlines what he proposes to do during the next year to reach his goals. If his superior accepts this statement, the "man-

ager's letter" becomes the charter under which the manager operates.\*

### Using the 'Manager's Letter'

It is proposed that a modification of the "manager's letter" be used to help evaluate the extent to which each individual manager has lived up to his redefined obligations. Since each manager would have been charged with making both a maximum contribution to the achievement of the objectives of the organization, and a maximum effort toward the perfection of the organization as the instrument of its mission, this letter might be called his "this-is-my-best letter". Each administrator should be required periodically to set forth in writing the quantity and quality of his contributions in these two areas, and to indicate how these contributions might be verified or measured.

The letter would first state the objectives selected as guides for conduct, and explicitly show how these objectives support higher objectives, up to national policy. It cannot be merely *assumed* that immediate objectives do support the highest objectives in the most effective manner; the soundness of the structure of purpose must be periodically retested and reverified. Displaced goals must be forced into the light of conscious examination.

After having stated his objectives, and explained why they are considered the best available, the letter next sets forth the means taken to achieve the objectives. It describes how the resources available to him have been allocated to his objectives.

Next would be to set forth the tests used to determine the extent to which the objectives had been achieved. What criteria have been selected for measurement? Are the criteria valid indicators of achievement? What tests have been performed and what were the results of those tests? In short, how has the hypothesis of a maximum contribution been tested?

The last would list the obstacles to greater achievement and the actions taken to eliminate or minimize them. In other words, what has been done during this reporting period to help perfect the organization as the instrument of its mission.

### Cross-Examination

After the "this-is-my-best letter" has been presented, the tool adopted from the law would be brought into play as an aid to its evaluation. That tool is cross-examination. According to *Naval Courts and Boards*, 1937:

The power of cross-examination is the most efficacious test which the law has devised for the discovery of truth. It is not easy for a witness, who is subjected to this test, to impose on a court or a jury; for, however artful the fabrication or falsehood may be, it can not embrace all the circumstances to which a cross-examination may be extended.

It is proposed that the author of the "this-is-my-best letter" be required to defend his administration under cross-examination. This examination would be conducted by a

A native of N.Y.C., Mr. Rose now resides in Granby, Conn. Associated with Kaman Aircraft since 1957, he has served as assistant supervisor — service engineering. He is presently senior industrial engineer. Degrees: B.I.E., New York University, 1953. He is a member of S.A.M.



group which would previously have made a thorough study of both the letter and the administration of the official's office. The examination would probe for faulty assumptions, inadequate tests, and unexploited opportunities. The inspecting party — or jury — would be composed of people of various backgrounds with the organization's customers well represented on this body.

The subject of this "inquisition" would be in a difficult position. His plight calls to mind an old Chinese proverb: "The more you sweat in peace, the less you bleed in war." He would experience the loneliness of responsibility to a most excruciating degree. Being charged with administering his functions so as to achieve the maximum contribution to the mission, and being fully aware that he must make, or initiate recommendations for, all improvements he believes possible, he would be inescapably responsible for results. He could not take refuge behind the old dodge, "I have carried out my orders. The things you see wrong are not my responsibility." Here, at last, would be the solution to the most perplexing of bureaucratic problems: "Under which shell is the pea?"

### Anticipated Benefits

Several benefits would follow from requiring the individual to defend his stewardship under cross-examination. The greatest of these would accrue before the examination ever took place. Any individual knowing that he was to present his administration for such scrutiny would carefully examine all aspects of his execution of his office. The result would be a continuous evaluation of all procedures and standard methods. Each practice would be required to justify its continued use on the basis of utility. A practice would be continued in use *only* if it represented the most efficient available method in the opinion of the responsible official.

It is not advocated that the full "treatment" of the "this-is-my-best letter" and the hearing under cross-examination should apply to every individual in the organization. The extent of its use should be left to the decision of competent authority. However, the philosophy behind this device; *i.e.*, holding the individual responsible for the results, as well as the legality of his administration, should apply to everyone. Since climate is set from the top, the full treatment would not have to be carried very far down before the "logic of the mission" would permeate the entire organization.

\* Peter F. Drucker, *The Practice of Management*, New York: Harper, 1954, p. 129.



*Stressing the prime significance of motivating managers. Better motivations, rather than the hiring of unique and outstandingly talented managers, is perhaps the path of effective management in the majority of companies when it comes to . . .*

## *PRESIDENTS, PEOPLE, and PERFORMANCE*

by Samuel L. H. Burk

THE CHIEF executive officer of any company faces a challenging and, as some have called it, an "impossible" task. Two recent examples of published variations on this theme have been selected from the many available.

The *ACME\* Reporter* in the first issue of its 1961 series concludes

Thus, even a superficial review of some of the characteristics of the presidency brings home one fact: it is literally an impossible job. It is not only unique, com-

\* Association of Consulting Management Engineers

plex, demanding, lonely, powerful, and, for many, eminently satisfying — it is the job that can't be done. . . . Because the job is impossible, there is a real premium for organizing, for drawing on all the internal and external sources of strength available, so as to come closer to doing it than his competitors are. He will be leading his company and his company will be leading the parade.

#### **The 'Uncommon Man' or Uncommon Motivation?**

In the March 27, 1961 edition of the *Wall Street Journal*, under the headline, "Individuals and Organization — DuPont's Greenewalt Discusses the Conformity Question," appeared another statement along slightly different lines. Mr. Greenewalt wrote, in part

An organization does not flourish by virtue of the *superior* talent it enlists. All organizations fish in the same general pool and it is unlikely that any nets a catch appreciably better than others. Its advancement will derive from having provided for its people a climate of achievement in which men of ordinary stature are somehow stimulated to extraordinary performance. The extent to which any *given* individual can produce beyond his rated capacity may be very small, yet the sum of these added together will make the difference between a great organization and an indifferent one."

In a recent conversation, we were told by the chief executive of one of the largest American companies about his views of the chief executive's primary problem. He made the point that today's company president is just about the same kind of an individual as were his predecessors. The president is probably better educated than the man he succeeded but otherwise he is no "smarter," no closer to being a superman than before. Generally speaking his accomplishments are measured by the same criteria as were applied to results achieved by those who held the same position before him. On the other hand, we have witnessed tremendous advances in technology, in scientific knowledge, in communications, in ever widening social, economic and international horizons and in the increasing but inadequate knowledge of the behavior of ourselves and our fellow men. These and many other factors make the president's task challenging and at the same time frustrating. Said he, "We're just ordinary folks faced with what all too often seem to be impossible demands on human capacity. So we surround ourselves with people having a wide variety of specialized backgrounds and hope that we can achieve that which is impossible for one man by combining the capabilities of many. My problem now is to make sure that I'm getting the group results that can properly be expected."

Anyone who has been privileged to observe many and varied types of business organizations over the past three or four decades can heartily agree with these writers and speakers. "Stimulation to extraordinary performance" is indeed essential to making the most of the human capacities at hand. In the difference between exceptional and mediocre application of available human resources lies the difference between unusual achievement and average results.

#### **Opening the Road to Achievement**

Human resources is a high sounding name for the total capacities of all the people in an organization. All of us recognize that the chief executive and his managerial subordinates daily accomplish the individually impossible through people. Most companies provide executive and operating managers with a skilled, specialized advisor in "people problems." In all too large a proportion of cases, this human resources specialist has been over-occupied in shoring up the procedural aspects of labor relations, recruiting, compensation, training, motivation, incentives, and related "personnel techniques". Many have had little time for, awareness of, or authority to explore the central problems involved in securing the full use of individual capacities in achievement of group objectives.

The president and his personnel advisor have frequently overlooked their primary responsibility for providing a total environment that advances rather than inhibits men in releasing their God-given capacities effectively. In most companies there is more to be gained by removing the obstacles to achieving appropriately difficult results; *i.e.*, a "high standard," than can later be added to that base by "extraordinary performance". If, in any one company, this be true, then achievement of standard becomes the first charge on the chief executive officer. His top personnel subordinate must spend most of his personal time and energy in staff counsel, services, and reporting related to this first charge.

#### **Most People Welcome Challenge**

There is no insoluble human problem involved in getting the difficult done or even in achieving the extraordinary in performance — *under the proper conditions*. It's providing favorable conditions that counts. People in general don't have to be goaded. Any president, from his own personal experiences and aspirations, knows that any man of managerial caliber who is worth his salt welcomes challenge, revels in achievement, and gets his satisfactions from the recognitions accorded to success. The problem is greatly intensified and further complicated, however, when valuable men refuse longer to tolerate a situation in which personal success is impeded by the obstacles of poorly conceived attitudinal, philosophical, policy, or procedural inhibitors. Too often identification and removal of these impediments, if done at all, come too late to hold an otherwise capable organization together. When this happens, the president's position does become literally impossible.

All of the above deals with more than just the "climate of achievement" described by Mr. Greenewalt. It has to do with the total environment of which climate or atmosphere is a very important but by no means controlling part.

#### **Elements of an 'Achievement Environment'**

The elements essential to maintenance of a total environment favorable to successful business operations are myriad. They can, however, be grouped under a few general headings that follow each other in rather logical order. The following then are the essential requirements for business

success — under each can be grouped the appropriate detailed environmental elements that make meeting the requirements possible.

1. The company must be in an industry or business that holds economic promise; *i.e.*, is economically justifiable.

2. The product or product lines (or services) must be best suited to taking full advantage of the economic promises of the industry.

3. The company must be financially sound.

4. The company's objectives, long and short term, should be possible but difficult of accomplishment, well defined and communicated to all involved.

5. The plans for achievement of objectives must be soundly conceived, communicated to, understood and accepted by those who are thereby and therewith informed of their individual obligations.

6. The organization structure designed to carry out plans must be appropriate to the achievement of objectives, now and in the future.

7. The organization structure must be staffed with capable people, capably led.

8. The people must be provided with equipment and physical facilities best suited to the enhancement of their human capacities to produce in accordance with plans.

9. Managers, at all levels, must be provided with the administrative "tools" required in planning, organizing, directing, coordinating and controlling the activities of others and including most importantly a well coordinated internal communications or "nervous" system.

10. All employees must be appropriately assured that they will find in their work as members of the production team the satisfactions that they as individuals associate with achievement of standard or extraordinary performance.

11. These motivations must exist in an atmosphere or climate which does not require that men be faced with anything that, as Mr. Greenewalt describes it, "deprives the individual of his dignity or his importance. Nor can (these motivations) exist in our intricate day and age in an atmosphere of anarchy which ignores the need for close relationship and group effort."

### Steps for Creating Total Environment

Creation of the proper kind of total environment calls for a series of systematic steps that follow recognition and dedicated acceptance of the fact that enhanced opportunities for improvement are inherent in the process. The steps are



Currently a partner in Rogers, Slade & Hill, management consultants, Mr. Burk has served as director of industrial relations with the N.A.M. and has had similar positions with General Foods Corp., Pittsburgh Plate Glass Co., Atlantic Refining Co., and other leading corporations. Degree: B.S., economics, University of Pennsylvania, 1924. A co-author, with Benge and Hay, of *Manual of Job Evaluation*, Harpers, 1941, he is now vice president, industrial relations, S.A.M.

1. Provide for rapid identification of a) obstacles to the flow from the reservoir of capacity to the turbine of results b) leaks in transmission lines c) friction causing elements resulting in inefficiencies of transmission or any other causes contributing to an unsatisfactory "output over-input" ratio.

2. Determine promptly whatever properly corrective steps may be most effective in curing each such situation.

3. Apply (or procure and develop, or both) the skills required to implement the corrective steps.

4. Assign individual responsibilities and establish a time schedule for initiating and completing effective corrective action.

Such an approach does not contemplate the usual type of "management audit" customarily made to evaluate managers or management's over-all effectiveness. Its primary purpose is to bring to the surface, by direct participation of selected or all levels of managers, the environmental factors or elements that inhibit maximum effectiveness. The thinking of each respondent with respect to possible remedial action must be solicited and later fully considered. The total of their thinking is supplemented and refined by specialists in the functional areas involved. Plans, programs and schedules are approved by the operating officers and implemented through "the line" with whatever "staff" or outside assistance may be required. Briefly, the objective is to achieve improvement in results — not to lay blame for or evaluate the causes of past lack of achievement.

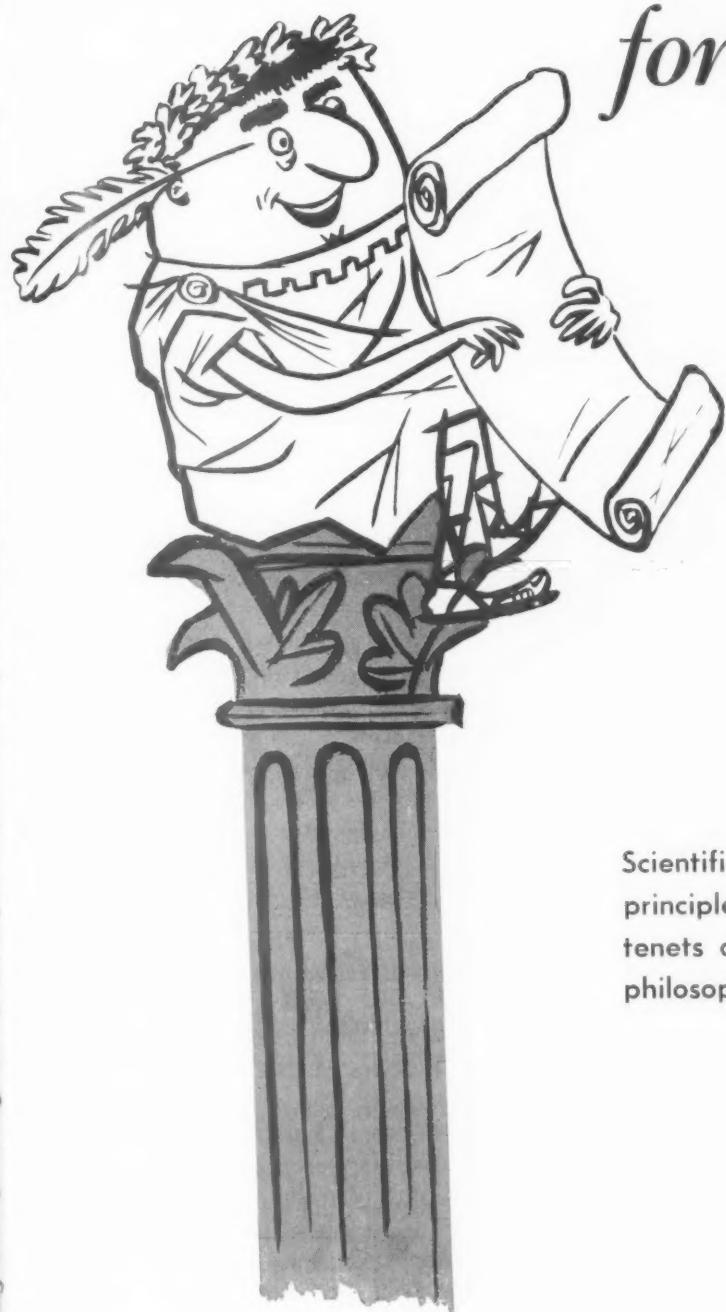
The two prime movers in such an over-all activity should be the chief executive officer and his immediate "people problems" assistant — whatever may be the latter's title. The ultimate effect, in many companies, will be to place much more emphasis on and perhaps broaden the top personnel man's responsibility for staff counsel, service and control in the upper level, management personnel administration area.

At the beginning of such a program, the services of an objective, experienced outsider can be beneficial and may be essential to getting the process started. But in any case, a continuing long-term application of the principles and methods involved is an internal process in which the outsider acts primarily as a catalyst, objective observer, and technical counselor. He always works toward the goal of getting the activities on a "do-it-yourself" basis as soon as practical.

### 'Feedback' and Evaluation

The habit of continuing self-diagnosis, self-prescription, and self-therapy, with outside assistance only as time, available skills, and the outside viewpoint can be helpful, makes a winning combination. Only this approach makes for a permanent environment most conducive to optimum utilization of human resources — including, but not limited to, "a climate of achievement in which men of ordinary stature are somehow stimulated to extraordinary performance." It is the ideal situation in which the president "will be leading his company and his company will be leading the parade."

# *A Philosophy for Management*



by Max S. Wortman, jr.

Scientific concepts and thought processes—observation, principle, hypothesis, theory—blueprinted in stages. Such tenets can be expertly constructed into an integrated philosophy of management

**T**ODAY'S MANAGERS, as never before, are at the crossroads of their *professional* or *pseudo-professional* development. I use the term, *pseudo-professional*, since many of today's managers have refused to get down to the basic philosophy of management which is a necessity to the further growth of a science of management.<sup>1</sup> Not only is the industrial manager involved, but also those academicians protected in

their ivory towers who refuse to acknowledge anything but segmental research; *i.e.*, segmental repeated research which has not produced any further generalizations toward a scientific approach to the field of management.

## **The Need**

Drucker, in 1954, said that management can never become an exact science and that it is primarily an art to be utilized in the performance of the manager's duties.<sup>2</sup> Recent-

1. The terms, philosophy of management and science of management, have been misused interchangeably throughout the literature and an attempt is made later to distinguish the two definitions. See pp. 12 and 13.

2. Drucker, Peter F., *The Practice of Management*, New York: Harper and Bros., 1954, p. 9.

ly, however, he changed his mind and noted that 1) the first need of a management science is to respect itself as a distinct and genuine discipline and 2) the second need is to take its subject matter seriously.<sup>3</sup> Here we note that one of our foremost management consultants in the U.S. has recognized an implied inherent need for a philosophy of management which is inseparably tied into a managerial science with its component professional aspects. Davis, 10 years ago, noted the necessity of a philosophy of management which would supply a system of thought explaining basic business problems and supplying the basis for an intelligent approach to their solution.<sup>4</sup>

Throughout contemporary management literature, this

of a management science can be furthered rather than getting lost in the increasingly complex mass of data which are constantly being produced by academicians, professional managers, and scores of management techniques developed during the past few years.

### Operational Management Definitions

Presupposing that the reader has an elementary grounding in the development of managerial science from the early folklore of yesterday to the complex methods and techniques of operations research, automation, and linear programming of today, three basic trends can be distinguished as noted by Stover that management:<sup>6</sup> 1) can and should be a field



continual cry for a basic philosophic framework upon which to set systematic study has been echoed and yet apparently there is still much confusion as to what actually should be done. This confusion increases further when some of our foremost industrial managers lead still another group which advocates a philosophy of management entirely separate from that philosophy of management engendering a science of management. This offshoot philosophic approach is that of the personal managerial viewpoint which each of these top-level executives claim to have developed from their years of experience.<sup>5</sup> These views may or may not have any bearing on the actual philosophy of management necessary to point out the road to further advances in managerial science.

Realizing this terrific confusion, this article is an attempt, not to be a panacea of all managerial philosophy problems in philosophical systems, but to furnish a framework upon which our present and future knowledge can be systematized. Research which has been completed can be incorporated into this philosophical system, and other practical aspects

of scientific inquiry as advocated by Fayol and Taylor 2) should consider the "human relations" factor, including social organization and 3) is moving from a static to a dynamic approach which treats management as a constantly evolving process.

In management, where the definitions are either conflicting or confusing, it is imperative that the definitions be clear, concise, and unambiguous. The actual need for definition in management occurs when 1) a term's meaning is obscure or used so vaguely that more precise definition is necessary 2) an apparent plurality of meanings can be removed by multiple definition and 3) a research situation calls for a new term as a shorter convenience for complex groupings of terms either already in use or set up for the first time.

Following are the operational definitions of this article:

1. *Philosophy of management* — a philosophic discipline which is the systematic study of the nature of management, especially of its methods, its concepts, and presuppositions, and its place in the general scheme of intellectual disciplines.<sup>7</sup>

2. *Science* — a unified body of knowledge where validity can be tested by making predictions from the

3. Drucker, Peter F., "Potentials of Management Science," *Harvard Business Review*, Vol. 37, No. 1, Jan.-Feb. 1959, pp. 25-30; 146-150.

4. Davis, Ralph C., *The Fundamentals of Top Management*, New York: Harper and Bros., 1951, p. 6.

5. For examples of this approach, see Fetzer, Jr., Wade. "A Philosophy of Management," *Office Executive*, Vol. 33, No. 8, Aug. 1958, pp. 14-15; Ohmann, O. A., "Search for a Managerial Philosophy," *Harvard Business Review*, Vol. 35, No. 5, Sept.-Oct. 1957, pp. 41-51.

6. Stover, Carl F., "Changing Patterns in the Philosophy of Management," *Public Administration Review*, Vol. 18, No. 1, Winter, 1958, pp. 21-27.

7. Runes, Dagobert D., *Dictionary of Philosophy*. Ames, Iowa: Littlefield, Adams, and Co., 1955, p. 284.

knowledge that prove to have an accuracy beyond that of chance alone.

3. *Profession* — the application of intellectual activity, systematized and standardized by ethical principles and an appropriate technique, to the service of man, carried on by responsible individuals with a view to the protection and development of humanity.<sup>8</sup>

4. *Management* — an applied science which covers planning, organizing, and controlling the activities of an organization in the accomplishment of its objectives.<sup>9</sup>

Of necessity, these definitions are limited, but as a science expands within its basic philosophy, these definitions are subject to revision and expansion.

### Standards for a Science of Management

Since the philosophy of management is a systematic study of the nature of management, my approach will cover its relationship as a totality containing a science of management and its professional status. Individual philosophies should be developed only by practicing executives within the framework of an over-all philosophy of management which encompasses their individual viewpoints.

Basically, there are two types of science: 1) formal (conceptual) science— involving fields like pure logic and mathematics which require certainty of a high order and 2) factual science — including the social sciences, which depend on empirical evidence.<sup>10</sup> Management is an application of a factual science whose "truth-claims" or principles are valid only as long as they are practicable and not disproved by subsequent developments in the area. Currently, the knowledge claims of management are a matter of successive approximations and of increasing degrees of confirmation.

The primary aims of management are 1) description 2) explanation and 3) prediction, with the emphasis on the last two. The quest for knowledge in the area of management should be regulated by certain standards or criteria

which are formulated as ideals to be approximated, but perhaps never fully attained. These standards usually reflect the state of development of a given science and of the philosophy of that science.

Five of the most important of these ideal standards are 1) intersubjective testability 2) reliability 3) definiteness and precision 4) systematic structure and 5) comprehensiveness.<sup>11</sup>

1. *Intersubjective testability* requires that the knowledge claims of management be capable of confirmation or disconfirmation by any properly trained or professional person in the field. Through this standard, quasi-professional people or quacks claiming to have the solution to "your management problem" can be exposed since their proposals cannot be checked by other individuals in management. The literature is presently full of these extraneous trivia having no bearing on the development of a management science.

2. *Reliability* is a sufficient degree of confirmation which enables the manager to ascertain opinion or superstition from well-substantiated belief or knowledge. In management, the line of delineation is not well-developed between established principles, theories, and hypotheses and the hunches and ideas-on-trial which may eventually be included in the body of managerial knowledge.

3. *Definiteness and precision* requires that concepts used in management be as finite as possible. Since techniques of measurement are being applied to most good management studies, future concepts in management should also be more reliable as well as precise.

4. *A systematic structure* sets up systems of classification including vocabulary, diagrams, and models serving the purpose of description. Since explanation in managerial science consists of the hypothetico-deductive procedure, the laws, theories, and hypotheses form the structure from which we derive the observed facts.

5. *Comprehensiveness*, or the scope of knowledge in management, differentiates the variation between scientific and common-sense knowledge. Only through diligent effort can the manager ascertain the total scope of the field and his place in it.<sup>12</sup>

In the light of these critical standards, the meaningfulness and fruitfulness of managerial concepts may be appraised. These criteria are "aimed at the creation of concepts which will function in laws or theories of greater predictiveness"<sup>13</sup> for the field of management.

### Development of a Science

In the formation of modern science, there are four components in the evolution of a science toward full maturity. Management is following this pattern with only a small amount of variability. The four areas are<sup>14</sup>

11. For requirements of a finite management standard, see Davis, pp. 24-26.
12. Feigl, Herbert and May Brodbeck, *Readings in the Philosophy of Science*, New York: Appleton-Century-Crofts, Inc., 1953, pp. 10-18.
13. Feigl, Herbert, *Readings in Philosophical Analysis*, New York: Appleton-Century-Crofts, Inc., 1949, p. 508.
14. *Ibid.*, pp. 510-514.



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1. *Description*—simple account of individual facts or events (data) as more or less immediately observable.

2. *Empirical laws*—functional relationships between relatively directly observable or measurable magnitudes.

3. *Theories of the first order*—sets of assumptions using higher order constructs which are the results of abstraction and inference. A deeper interpretation of the facts rendered under the empirical law level.

4. *Theories of the second order*—still more penetrating interpretation with still higher constructs.

Each area depends on the preceding area for its validity as the science moves through its development from Area 1 through Area 4. Each area of development will be more fully described as to where and how management fits into this classification and what its future potentials and goals are.

### Description

In the development of any science, description is the first step. A description can be either causal or functional. A causal description is "The men were negotiating for a wage increase . . ."; "We told them the answer was 'no', and the men struck." This is not a wage law, but a description. In a causal relation of this type, it is impossible to get a one-to-one relationship between the cause and the effect since the performer, stated to be one of the causes, biases the situation by the complexity of the individual and the data. Lastly, the expression usually takes an all-or-none stand while qualifying conditions are ignored.

The functional level of description is reached when 1) operational control can be exerted on more than one variable 2) each variable can be measured and 3) variables are discovered between which correlations or mathematical functions can be established. In this case, we can make either predictions or retrodictions on the cause and effect relationships.

### Empirical Laws and Principles

After arriving at functional description, principles or laws can be drawn up regarding the truth or falsity of the empirical data about the particular description of a given area in management.

Many writers in the field of management have set up principles, but have never subjected them to the standards in this article. The main function of empirical laws in management is to connect events in patterns which are usually referred to as explanation and prediction. Prediction in management consists of deriving a statement about a certain future event; e.g., amount of absenteeism in the coming year, from 1) statements describing certain known past and present conditions; e.g., absenteeism rate now, and 2) suitable general laws; e.g., laws relating to absenteeism, turnover, etc.

In order to discover reliable laws, generalization must be drawn from a maximum of past experience as simply as feasible. If the principles or laws are set up as a system of independent, i.e., non-overlapping and non-redundant

principles, it is possible to recognize exactly the parts of the science which correspond to the actual facts of experience. If it becomes necessary to modify the law because of further observation, it will be quite obvious which part of the law will be affected. These theoretical laws are valid only so long as they are held to be true.

When the terms, "ought," "should," "right," "good," and "effective" are used in principles, management is essentially resorting to value judgments exhorting us to do whatever is implied. The principle can be completely emotive and be neither true nor false. Much of today's management literature is filled with the above terms which add little to a managerial science which furthers the growth of a managerial philosophy.

The definition of principle in the light of this section is taken to be the ideal to be strived for, although not necessarily obtained.

### Theories of the First Order

After empirical laws or principles are derived, constructs or theories of the first order are developed by abstraction and inference; e.g., a theory of the wage structure. A theory may be regarded as a set of assumptions from which empirical laws are derivable by logico-mathematical deduction. The theoretical constructs contain, in compressed form, the empirical principles which can be extracted by explicit definition.

A theory of the first order in management covers an entire problem area laying down the empirical laws and descriptions that are necessary for the explanation of the particular area of management.

### Theories of the Second Order

After a science has matured to the hypothetical construct level, theories of the second order are even more penetrating interpretations of first order theory, empirical laws,

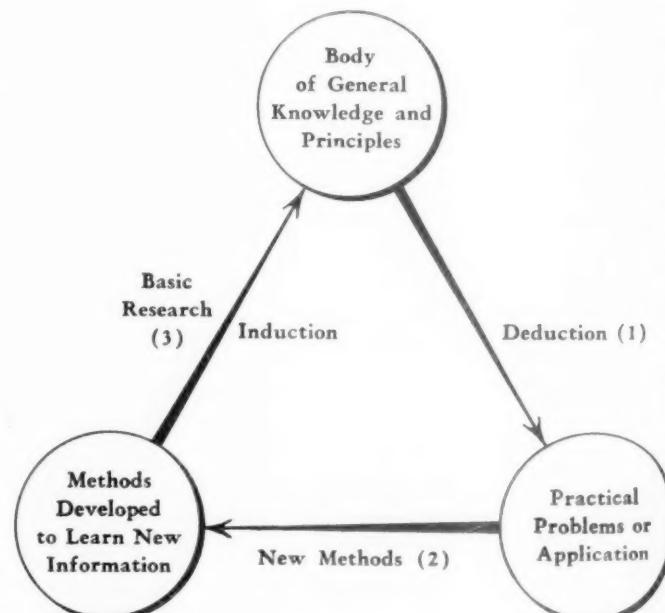


Figure 1

and descriptions. These second order theories cover an entire science or field of application.

After a body of general knowledge or principles has been founded, practical application of this knowledge can be made by deduction from the general principle to the specific problem or application (see Figure 1). Practical problems often generate new methods which are not necessarily theoretical changes. Much of the work today in management is of this type. As new methods are developed as a direct outgrowth of practical managerial problems, new information is obtained through basic research. Basic research, in turn, contributes to the body of general knowledge or principles by inductive reasoning.<sup>15</sup> This cycle continues as long as the philosophy, science, and profession grow together.

### A Science of Management

Since management is an applied science, it is a science which integrates the industrial (applied) counterparts of sociology, psychology, anthropology, and economics. Management, in order to qualify as a science, must have a unified body of knowledge which has an integrated body of definitions, assumptions, and general propositions covering the field from which a comprehensive and consistent set of specific and testable hypotheses can be logically deduced.

Currently, management has several variables which may or may not be used to test and measure the validity of some of the prevalent hypotheses in this field. These variables are split into three groups: economic, political, and social.<sup>16</sup>

Economic variables involve the following: 1) increasing productivity<sup>17</sup> 2) maximizing industrial development 3) using professional managers to the utmost utility and 4) keeping costs consistent with the objectives of management.<sup>18</sup> Each of these economic variables can be directly or indirectly measured by the many new research techniques being developed by universities and professional managers.

Some of the political variables are conflict, competition, and cooperation.<sup>19</sup> These variables are exceedingly difficult to measure, although techniques are being developed to check the relationships of these variables to the economic position of the firm in a realistic appraisal of their share of the market.

The social variables are the most difficult to measure because of constantly fluctuating independent factors. It is almost impossible to determine the effects upon the total operation of the organization. As an example of this difficulty of measurement, just compare the hypotheses set forth by Barnard in 1938 with those of Argyris, Bellows, and March and Simon of the late 1950s.<sup>20</sup> Social factors include 1) the responsibilities of the organization to the consumer, the government, the investor, and the employee and 2) ego factors of the employee including a) desire for status b) recognition c) approval d) sense of importance and e) personal worth.



### Current Status of a Science of Management

Today, management is still in the growing stages of infancy. Why? Because its present status in the development of an applied science indicates that it is between the functional relationship of description and that of empirical law. The field is attempting to build its empirical laws in order to advance to higher order constructs and theories although this effort is slowed down severely by managers in the field who have not adopted a professional approach to the science of management.

How does a philosophy of management hope to develop and why is it continuing to evolve? Because 1) managers are becoming increasingly more profession-oriented with a sense of mission in the area of management and 2) the increasing amounts of empirical research being conducted at all levels, including the university and industrial categories thus tending toward generalization or empirical law from a maximum of experience.

Professional development or dedicated leadership in any field of science tends to accelerate that science at a more rapid rate than is otherwise possible and at a higher level of achievement and ethical practice. Professional development and the development of a management science are so interrelated and dependent, one on the other, that it is impossible to determine the cause or the effect.

15. Feigl, Herbert, *Readings in Philosophical Analysis*, New York: Appleton-Century-Crofts, Inc., 1949, pp. 3-26.
16. American Management Association, "Developing Patterns in Management," *General Management Series No. 178*, New York: 1955, pp. 32-51; and "Measuring Research Effectiveness," *General Management Series No. 180*, 1956, pp. 23-33.
17. Industrial Relations Research Assn., "Industrial Productivity," *Publication No. 7*, Champaign, Ill.: Twin-City Printing Co., 1951, 224 pp. American Management Association, "Productivity Through Understanding," *Personnel Series No. 140*, New York: 1952, pp. 1-8.
18. American Management Association, "Profits and People: The Personnel Function of Management," *Personnel Series No. 132*, New York: 1950, pp. 3-9.
19. Whyte, William F., "Organization and Motivation of Management," *Industrial Productivity*, Champaign, Ill.: Twin-City Printing Co., Dec. 1951, pp. 94-109.
20. Barnard, Chester I., *The Functions of the Executive*, Cambridge, Mass.: Harvard University Press, 1938, 334 pp.; Argyris, Chris, *Personality and Organization*, New York: Harper and Bros., 1957, pp. 229-250; Bellows, Roger, *Creative Leadership*, Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1959, 338 pp.; March, James G. and Simon, Herbert A., *Organizations*, New York: John Wiley and Sons, Inc., 1958, 262 pp.



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# Management Theory

by Robert J. House, Jr.

Collaboration of executive with educator to replication — at all executive levels a corporate technique similar to that described in "Molding

ONE PREREQUISITE for effective management development is a precise description of what the top management of an organization considers good management performance.<sup>1</sup> Another way to express this concept is to say that for effective management development, it is necessary for the company to set forth *in writing* its philosophy of management. Here, the phrase "philosophy of management" refers to the means and the ends of management, "the general principles, laws or causes that furnish the *rational* explanation of anything; the *rational* by which the facts of any region of knowledge are explained".<sup>2</sup>

Many companies have expressed their management philosophy in terms of the policies brought together under one cover to form a policy manual. This practice is strongly recommended, but it should not be considered complete. It is suggested here that although the policy manual expresses the philosophy of management, it is only partially adequate for the purpose of guiding managers in their development, because it cannot express the philosophy briefly or in such a way that the integral relationships between policies and practices can be perceived with ease. In addition, one seldom finds a policy manual that indicates not only the proper limitations, but also the proper functions which a manager must perform if he is to successfully achieve the objectives for which he is held accountable.

For these reasons, a first step to assure adequate communication of company management philosophy and adequate management development would be the establishment of a boiled-down statement describing the top management group's conception of the proper means and ends of management. This article describes the development of such a management model and some of the early effects of the model on the operations of the organization.

## Company Background

In 1956, during a major reorganization involving decentralization of the company, the president of North American Aviation, Inc., announced that a management develop-

1. For an enlargement of this concept see Louis A. Allen, "Blueprint for Better Managerial Performance," *Personnel* (May, 1958).
2. Funk and Wagnalls' definition of philosophy, as popularly used, *New Standard Dictionary of the English Language* (emphasis by the writers).

ment plan would be installed in each operating division of the corporation. The first step in the implementation of the plan called for all members of management, starting from the top and going down approximately four levels, to be appraised on a multiple appraisal basis.<sup>3</sup> A consulting firm assisted with the installation and preliminary implementation of the appraisal program. The results of these appraisals were then made available to the respective superiors to assist them in planning for and conducting development interviews with the appraisees.

At the Columbus Division, a typical semi-autonomous product division with 8,12,000 employees, little or no management development effort was discernible between 1956 and 1959, other than the appraisal phase. The reasons given for this are those which one would expect. Most members of the executive committee felt they had too little time to devote to formal counseling sessions or to development programs for their subordinates. The result was that the development program announced and established in

3. A multiple appraisal is an appraisal made independently by several qualified managers, usually the appraisee's superior and several associates at the appraisee's organizational level or higher.

## Patterned Management Development Interview

### INTRODUCTION

I would like to get a little insight on your thoughts about the subject of management, and what we are talking about when we say management development.

- We've always had it, to a greater or lesser degree. (discuss)
- Always been a line responsibility—superior/subordinate. (discuss)
- Now it has been decided that we must approach it more formally. If we want to grow, successfully, we must develop our management to a higher degree. In other words, we can't leave it to chance.
- So, as staff, I want to find out how the management development function can assist line management in fulfilling this responsibility.
- Therefore, I'd like to discuss this area with you for a few minutes, in order to help clarify both our positions. There are many books that describe the function of management in many ways, but I am after what you feel they are; what you practice today.

# Theory in Practice

House John M. McIntyre

h editor to report a case history of the ap-  
e level a corporation — of an evaluation  
ibed Molding Organization Policy," p. 5)

1956 remained only an appraisal, inventory, and promotion tool for a period of approximately four years.

## Development of the Model

Early in 1959, the administrator of organization and management development at the Columbus Division, convinced that effective management development could not take place until the management functions as practiced at the division had been defined and set forth on paper, began to interview each member of the division's executive committee.<sup>4</sup>

The purpose of the interview was to obtain from each member a statement of his management philosophy and the activities he performed as a manager. It was believed, and still is, that there is no better source of information concerning what the functions of management are — *in fact rather than in theory* — than the managers themselves. These were seasoned managers, who had been operating at the policy level for an average of nine years.

Each interview was patterned, as illustrated in Exhibit I, and contained key questions designed to probe the inter-

4. The executive committee is the division policy-making group.

## Interview with Executive Committee Members

• I might add that any statements you make will be kept strictly anonymous.

### QUESTIONS

I'd like to begin by asking a question.

- A. If you could name one overriding practice or function that you perform, to which you attribute your success, what would that be? (explore and list answers)
- B. What other functions or practices do you consider basically necessary to your continuing success as a manager?
- C. Are there any such functions or practices that you wish you could perform better? Is there any single function or practice in which you have not felt sufficiently effective, to the extent that it has caused problems for you?
- D. Forgetting degree of proficiency, do you consider these functions or practices basic requirements; activities that you must perform if you are to fulfill your responsibilities as a manager? (read interviewee's statements back to him)

Exhibit I.

Mr. McIntyre is currently program management administrator, Columbus division, North American Aviation, Inc. His association with the company began in 1948 and from that period on he has served as supervisor, department store project group leader, production control; administrator of organization planning and management development. He has attended Connecticut Wesleyan University, Southern Methodist University, and Ohio State University. Serving as a management consultant, he also conducts frequent seminars.



viewee's values and philosophy concerning his work. Follow-on questions were designed to keep the interview open and to draw more statements from each of the managers. The intent here was to get as many statements as possible from each interviewee, bearing on what he does as a manager, what he believes are the proper functions of a manager, and what he believes are the proper objectives of management. The depth interviews, which varied in length from 25 minutes to 3 hours, resulted in 190 recorded statements from 11 executive committee members. Each man set his own pace and the interviewer made no effort to close the interview until a closing was indicated.

After completion of the interviews, the statements were grouped according to similarity. The groupings which emerged had to do with a) thinking about or preparing for future action b) relating work to people or resources c) getting people working and d) appraising the progress and the effect of work. These broad categories were labeled 1) Thinking Ahead 2) Organizing 3) Getting People Working and 4) Evaluating Results. Later, for formal presentation to the executive committee and for publication within the division, the categories were titled Planning, Organizing, Motivating, and Controlling.

The statements were refined and listed in their respective categories, and a rough draft of the "Division Management Model" was developed. At this stage, a meeting was held with the executive committee and their statements were mirrored back to them. Each category was handled separately and great care was taken to relate the statements of the executive committee members to the "staff-edited" model.

### Acceptance of the Model

During the presentation to the contributors, considerable interest was shown in the formative process, and only two minor changes were suggested by the group. This fact, together with the comments made during the meeting, clearly indicated the executive committee's agreement that the model represents ideal management performance for themselves and their subordinates. The model agreed to by the executive committee, after a review of their own statements and the staff recommendations for a formal statement of the model, is illustrated in Exhibit II. The primary intent

of this model is to serve as a guide for all members of Columbus Division management in their practice of the functions of management. As such, the model's statement of the company's overriding objectives, and the management functions which should be performed to reach those objectives, serves to define and document the complete and integrated functions of a manager as viewed by top divisional management.

The relationship between the executives' statements and those of the model is shown in Exhibits III through VI. The statements on the left side are samples of the 190

statements which gave rise to the development of the four main functions (Plan, Organize, Motivate, Control) and the steps performed in each.

#### Meaningful Interview Findings

Several interesting items which were revealed during the interviews will bear mention here because of their significance as to the need for formalized steps in management development.

*A. Major Emphasis on Motivation* — Approximately 40 per cent of the 190 statements fell in the area of "motiva-

### Columbus Div., North American Aviation, Inc., Model of Management\* Practice

#### Plan

1. Forecast.
2. Establish conditions and assumptions.
3. Establish objectives.
4. Anticipate possible future problems.
5. Establish policies.
6. Establish a program of accomplishment.
7. Plan standards and methods of measuring accomplishment.
8. Revise and adjust the plan in light of control results and changing conditions.
9. Coordinate† throughout the planning process.

#### Organize

1. Identify and define work to be performed.
2. Break work down into operative duties.
3. Establish an ideal organizational concept.
4. Group operative duties into operative positions.
5. Group operative positions into manageable and properly related units.
6. Define position requirements.
7. Provide personnel facilities and other resources.
8. Revise and adjust the organization in light of control results.
9. Coordinate† throughout the organizing process.

#### Motivate

1. Communicate and explain objectives and goals to subordinates.
2. Assign work to be performed, accountability and extent of authority.
3. Assign performance standards.
4. Coach and guide subordinates to meet performance standards.
5. Train and develop subordinates to realize full potential.
6. Provide a motivating environment by communicating the changing situation and its requirements.
7. Praise and censure fairly.
8. Reward subordinates based on performance.
9. Revise and adjust the work of motivation in light of control results.
10. Coordinate† throughout the motivating process.

#### Control

1. Review operations.
2. Compare results against goals (sub-objectives).
3. Appraise results against performance standards and policies.
4. Determine reasons for exceptions.
5. Record.
6. Revise and adjust control methods in light of control results.
7. Coordinate† throughout the control process.

#### Basic Company Objectives

- To earn for stockholders a fair and reasonable return on their investment.
- To provide a profitable and steady livelihood for employees.
- To serve by policy and action the development of United States Aviation in the public interest.

The company believes that its basic objectives will be best accomplished by an intensive and continuing effort to build the best possible product at the lowest possible cost and deliver it on schedule.

\* Management is the vocation of achieving desired results through other people.

† Coordination is the consideration of relationships and/or utilization of activities outside a chain of command.

#### Exhibit II.

#### MANAGERS' STATEMENTS

##### *Thinking Ahead*

"Analyze customer requirements."  
"Give problem a reasonable approach."  
"Establish goals."  
"Anticipate problems."  
"Plan to prevent fires."  
"Figure out ways to keep out of messes."  
"Formulate policy."  
"Prepare budget."  
"Develop broad plan."  
"Set schedules."  
"Set performance standards."  
"Be flexible."

#### MANAGERS' STATEMENTS

##### *Organizing*

"Ensure right amount of detail at proper level."  
"Define limits of authority."  
"Minimize fire drills by organization."  
"Define authority — money, facilities, personnel, everything."  
"Select good people."  
"Define operating procedures."  
"Set things up differently."  
"Organize to do better job."

#### Exhibit IV.

#### MANAGERS' STATEMENTS

##### *Get People Working*

"Communicate an understanding of the plan."  
"Tell them objectives and schedules in a way that is not threatening."  
"Give responsibility (as much as they can take)."  
"Assign performance standards."  
"Give policy guidance."  
"Coach subordinates."  
"Always see people."  
"Train people."  
"Give prerogative of chance taking."  
"Develop independent action in people."  
"Don't nag."  
"Give people environment in which they can put forth best efforts."  
"Pass on what is happening upstairs."  
"Counsel regularly."  
"Raise hell and give pat on back."  
"Give credit."  
"Praise and chew them out."  
"There must be a reward system."

#### MANAGERS' STATEMENTS

##### *Evaluating Results*

"Review."  
"Supervise adherence to policy."  
"Keep myself informed."  
"Review schedules."  
"Maintain surveillance of functional areas."  
"Look at the job — touch and feel it."  
"Account for progress in time and money."  
"Ask questions."  
"Find their problems."  
"Follow up."  
"Make notes."  
"Make a checklist."

#### MODEL STATEMENTS

##### *Plan*

1. Forecast.
2. Establish conditions and assumptions.
3. Establish objectives.
4. Anticipate possible future problems.
5. Establish policies.
6. Establish a program of accomplishment.
7. Plan standards and methods.
8. Revise and adjust the plan in light of control results and changing conditions.
9. Coordinate throughout the planning process.

#### Exhibit III.

#### MODEL STATEMENTS

##### *Organize*

1. Identify and define work to be performed.
2. Break work down into operative duties.
3. Establish an ideal organizational concept.
4. Group operative duties into operative positions.
5. Group operative positions into manageable and properly related units.
6. Define position requirements.
7. Provide personnel facilities and other resources.
8. Revise and adjust the organization in light of control results.
9. Coordinate throughout the organizing process.

#### MODEL STATEMENTS

##### *Motivate*

1. Communicate and explain objectives and goals to subordinates.
2. Assign work to be performed, accountability and extent of authority.
3. Assign performance standards.
4. Coach and guide subordinates to meet performance standards.
5. Train and develop subordinates to realize full potential.
6. Provide a motivating environment by communicating the changing situation and its requirements.
7. Praise and censure fairly.
8. Reward subordinates based on performance.
9. Revise and adjust the work of motivation in light of control results.
10. Coordinate throughout the motivating process.

#### Exhibit V.

#### MODEL STATEMENTS

##### *Control*

1. Review operations.
2. Compare results against goals, objectives and sub-objectives.
3. Appraise results against performance standards and policies.
4. Determine reasons for exceptions.
5. Record.
6. Revise and adjust control methods in light of control results.
7. Coordinate throughout the control process.

#### Exhibit VI.

tion."<sup>5</sup> This could be ascribed to 1) the almost overwhelming emphasis placed on the field of human relations in the past two decades and 2) the fact that North American Aviation, by tradition, is "employe-minded".

**B. Planning Performed Intuitively**—Statements involving the function of planning were not so specific as those involving organizing, motivating, or controlling. All of the managers agreed that planning is of paramount importance and that they performed this function as an essential part of their job; however, in each effort to obtain specific identification of the steps involved in planning, invariably the response was vague and indefinite. General statements such as "you have to look ahead" and "oh yes, you have to know where you're going" were frequently made. A few of the managers were able to cite specific steps such as "forecast" and "analyze customer requirements," but the majority seemed to find discussion of this function uncomfortable. It was evident that planning is the least consciously performed of any of the functions, and in spite of its fundamental importance, it is the function most accomplished by intuition. However, the following surmise can be made concerning the reasons for this lack of voluntary recognition: 1) planning is difficult and often unrewarding work with results so far in the future that direct correlation to good or bad planning cannot be made and 2) conscious planning

5. This finding is further supported by results of research conducted by members of the Industrial Relations Center at the University of Minnesota who found the largest concentration of executives' time to fall in the functions of supervision; directing subordinates, leading and developing subordinates, consulting subordinates, training subordinates, explaining work rules, assigning work, disciplining and handling complaints of subordinates. (This definition of supervision is very close to the function of motivation as described in the model.) See Thomas A. Mahoney, *Building the Executive Team* (Prentice-Hall, 1961) pp. 80-81.

goes against the human trait of impatience which leads to a "let's-try-it-and-see-how-it-works" attitude or approach.

**C. Every Manager Plays Dual Role**—It became apparent that each manager has a dual role. Each role is played distinctly and separately, and only the rare manager plays both roles optimally. The two roles all managers must play are those of "superior" and "subordinate" and, as such, they are like two different persons. For example, each manager was extremely interested in knowing how he stood with his boss, whether he was progressing satisfactorily, what was in the future for him, and possible courses of action for his improvement and promotion. However, by switching the discussion to the subject of subordinates (placing the interviewee in the boss role), his reaction was one of seeing all, hearing all, and knowing all. He described his subordinates as generally happy, satisfied managers who knew where they stood and what was expected of them.

Follow-up interviews within the three top levels of the division revealed that not a single subordinate views his job situation in the same light as his superior, and that the existing differences are strong job-conditioning factors which the subordinate feels he has to "live with". In other words, they are viewed by the subordinate as significant factors that limit his performance.

This communication block between superior and subordinate is critical to the success of any management development plan. If there is even to be a start toward effective management development or improvement effort, it must be explored — openly and objectively — and overcome.<sup>6</sup>

6. For similar findings revealed by another study concerning superior-subordinate job perspectives, see Rensis Likert, "Motivational Approach to Management Development" (Harvard Business Review, July-August, 1959).

## CLASSICAL THEORY IN PRACTICE

PLAN — 1 2 3 4 5 **6** 7 8 9

Begin Organizing when you conclude Step 6 of Planning; i.e., "establishing a program".

ORGANIZE — 1 2 3 4 5 6 **7** 8 9

Begin Motivating when you conclude Step 7 of Organizing; i.e., "providing personnel facilities, etc." (or staffing your organization).

MOTIVATE — 1 2 **3** 4 5 6 7 8 9 10

Begin Controlling (reviewing individual performances) when you conclude Step 3 of Motivating, i.e., "assigning performance standards".

CONTROL — 1 2 3 4 5 6 7

Exhibit VII.

leads to approach. appeared played plays it play such, each stood torily, uses of er, by inates on was described s who them. of the is job at the which words. s that sub- ment and effort, and perior ational review.

**D. Specific Areas for Improvement Identified** — The discussion of management practices and applications disclosed several areas where improvement could begin. Misunderstandings of terms, vertical and horizontal communication problems, operational weaknesses, and the requirement for more knowledge and skill in the application of delegation and control principles were revealed.

### The Model As an Operational Tool

As one can see from Exhibit VII, the model can be an operational tool — a checklist for action and sequence of operation. For example, Step 6 of planning should be completed before one starts to organize, one should complete Step 7 of organizing before starting to motivate, and Step 3 of motivating should be completed before one starts to control. Reference to the model will indicate why the steps should be performed in sequence. This is not to say that these steps cannot or must not be performed out of sequence, but the model serves as a guide to the ideal sequence.

### Successful Applications of the Management Model

Although the management model was formally endorsed by the executive committee less than 18 months ago, it has provided successful foundations for both management performance evaluation and management education programs. The success of these programs (discussed below) demonstrates the usefulness of the model. It has also provided a personal model of ideal management practice for each member of management. Following are brief descriptions of the two program applications:

#### Management Performance Evaluation

Using the management model as a check-list of the functions each manager performs, a trial program was established wherein each manager who participated in the model's development used the completed model as an instrument to evaluate his subordinates' performance.

A follow-up interview by the administrator of organization and management development disclosed two significant facts concerning the performance evaluations: 1) 100 per cent of the managers stated the model was an objective, realistic set of criteria against which a manager should be measured, and 2) 80 per cent of the managers thought the list was all-inclusive, whereas 20 per cent thought personality characteristics and technical knowledge should be considered in addition to the statements in the model.

A comprehensive performance evaluation format which was developed as a result of the trial program has now been used at five levels in the organization, starting with the division president. The model has proved its value as a performance evaluation tool by helping to identify, during the evaluation process, the *management* development needs of subordinates. The performance evaluation effort has resulted in 1) horizontal shifting of personnel to new jobs 2) increased and directed activity in business and management courses at various universities, correspondence schools, and other accredited educational institutes and 3) increased job responsibilities through greater delegation from superiors.



#### Management Education

The model has also provided the basis for two management education programs, administered separately to the engineering and the quality control divisions by the personnel department. The model was used as the outline of the course content for these programs, and company and divisional policies as well as management techniques were taught within this framework.

The engineering course has been completed by 150 managers at 5 organization levels. The results of this effort offer some basis for evaluating the usefulness of the model as an educational tool. The management development specialist assigned to the engineering division conducted a questionnaire and interview survey in order to evaluate the effectiveness of the formal management course. This survey yielded some response which bears directly on the management model.<sup>7</sup>

The course was judged to be directly related to the jobs of the managers by 75 per cent of the respondents. It was agreed by 60 per cent of the respondents that through the course they gained a significantly better understanding of their job responsibilities and what is expected of them as members of management.

The findings concerning the effects of the course in the area of management philosophy are highly significant. It was stated by 53 per cent of the respondents that the course improved their understanding of divisional management philosophy and the fundamental management factors that enter into top management policy, and 74 per cent stated that the course helped them to develop their own philosophy, providing a knowledge of the fundamental factors that are part of most management problems. It is also most significant that 100 per cent of the *two top levels* of engineering managers stated the course had helped them develop their own philosophy of management.

Concerning management communications and understandings between subordinates, superiors, and peers — 69, 61, and 63 per cent of these groups, respectively, agreed that the common set of operational management terms and concepts provided by the course proved extremely useful for these purposes.

7. The writers are indebted to Ervin Williams, engineering management development specialist, for his effort and cooperation in the conduct of this survey.

Since the educational program was designed on the basis of the model, it is therefore contended that the practical applicability of the model can be established by using the responses of the practicing managers who participated in the educational program. It is important to note that these managers were not the same managers who participated in the development of the model, and therefore serve as a check on the original statements which were the basis for the model.

### Significance

This model is no serious departure from classical management theory. Its significance lies not in its newness, but rather in the fact that it was developed on the basis of comments made by operating members of general management and thus serves to *confirm* much of the classical theory. This is highly important because it sheds some light on a current controversy concerning the validity and usefulness of the traditional functional theory of management.<sup>8</sup>

In the recent past, many behavioral scientists have challenged the validity of the functional theory of management on the grounds that this theory largely ignores the individual, and that it is incompatible with behavioral theories which consider the individual an essential element of organizational performance.

During several group discussions with the executive committee, and at lower levels, individual behavioral concepts such as consultative management, management by objectives, and McGregor's recommended method of managerial performance review<sup>9</sup> were discussed at length. In no instance did the practicing managers judge the behavioral concepts and the functional theory expressed by the model to be incompatible. On the contrary, they concluded that the behavioral concepts complement, rather than supplant, the traditional theory of management.

It is also highly significant that the value of the model has been proved in its practical applications and has brought about obvious positive results in the performance of many groups where it has been used as an operational doctrine and tool.

### Implications

Among the several implications in these findings, the most specific concern administrative management and personnel management of executives. A management model, fully understood by members of top management and staff, can be used as a basic guide and reference tool.

Recommended applications of the model are

1. *A set of criteria for policy review and evaluation.* Although the model does not constitute a comprehensive

8. The traditional theory of management is usually expressed in terms of the functions which a manager performs. These functions include Plan, Organize, Motivate, Coordinate, Control, Delegate, Evaluate, Measure, Lead, Direct, Supervise, etc. All of these functions are included in the North American Aviation, Columbus Division Management Model, but they are grouped under the main functions of Planning, Organizing, Motivating, and Controlling.
9. Douglas McGregor, "An Uneasy Look at Performance Appraisal," *Harvard Business Review*, May-June, 1957.

list of policies, it does provide a starting point for policy review and a checklist of the fundamental convictions and premises upon which all policies should be based.

2. *A tool for job definition, job classification, and organizational analysis.* A management model will not take the place of a job definition, but it will provide a universal set of management terms and concepts which will be useful in establishing and communicating specific administrative responsibilities. In addition, the model provides a statement of the activities which top management believes to be the proper functions of every member of management.

Since most of the responsibilities of any manager are contained in the management model, much of the work involved in the analyses of organizational components and the development of job classifications for management positions will be eliminated. The general statements in the model need only be restated in terms which apply to the specific job or organizational component under analysis and the description of the administrative activities of any manager will be complete.<sup>10</sup>

3. *A basis for management compensation.* Since the model contains the responsibilities of the manager, it provides the basic criteria for assigning monetary value to the management position. If the model is used as a performance evaluation tool, as recommended, it should also be a determining factor in the consideration of merit increases for managers.

4. *A guide for management recruitment, selection, and promotion.* Before an attempt is made to fill a vacant position, the specific activities to be performed and the requirements to be met in that position must be known. Much of this information is provided in the management model.

In addition, the model provides the basis for further research into the behavior of managers, at different levels in the organization and under varying conditions. It also serves to integrate, in abbreviated form, much of the existing knowledge in the areas of human relations and functional management.<sup>11</sup>

### Conclusions

The following conclusions can be drawn, based on the existing experience with the management model.

1. The process described here can be a valuable means of uncovering areas where organizational and operational improvements are needed.
2. A management model, expounding a philosophy of management practice for the organizational entity, can be a powerful and forceful improvement tool.
3. Since the management model is one method of expressing the traditional theory of management, it is concluded that the case reported here serves as one supporting study of that theory.
10. The manager's job also includes operative activities that vary with each management position, which will have to be considered separately from the administrative functions of the manager.
11. For an excellent review of existing research concerning management functions and human relations, see John M. Pfiffner, *The Supervision of Personnel* (Prentice-Hall, 1958).



# CAN EXECUTIVE SUCCESS BE PREDICTED?



*Cultural and family background, education, and military record held up as bases for predicting probable success of men hired into executive training programs*

by Thomas R. O'Donovan

THE PROSPERITY if not the survival of any business depends on the performance of its managers of tomorrow. This is particularly true today when basic business decisions require for their fruition an increasingly long time span. Since no one can foresee the future, management cannot make rational and responsible decisions unless it selects, develops, and tests the men who will have to follow them through—the managers of tomorrow.<sup>1</sup>

Management's recognition of the great importance of executives of tomorrow is evident in the hundreds of executive development programs in American business. All of these programs are based on the assumption that executive success can be predicted, at least to some degree. In establishing an executive development program, a corporation commits itself to certain long-range goals. The selection of participants for the executive development program determines the basic nature of the future managerial group in the firm. Mistakes in these selections may spell disaster for the corporation.

The young managers of today aggressively seek the opportunity to participate in executive development programs. Admission to one of these programs carries the promise of an unlimited future opportunity for achievement and rich rewards. Rejection from one of these programs too often means that the individual is destined for the managerial doldrums.

#### **Predicting Achievement**

Executive development programs are of relatively recent vintage in America. As a result, the administrators of these programs know relatively little about the factors directly associated with executive success. Some of the programs are formal; some are largely informal. All have their own sacred set of techniques. The more progressive corporations have undertaken extensive research on the factors associated with success of their managerial groups. A few scholars have studied achievement in big business, government, and the professions.

Many people argue against achievement prediction. There are two bases for this argument. The first is that we should not play Providence by singling out 1 man in 10 and disposing other people's careers on probability. Secondly, it is alleged that there is no method that can predict development beyond a very short time span.

#### **Hiring Men Rather Than Executives**

The first objection can be met by an adequate philosophy of executive development. Instead of hiring "future executives," the firm should be hiring men. Developing people is just as much a universal function of managers as planning, organizing, or controlling. In this way, we are not singling out an individual and training him to be an executive. Rather, we are providing a climate for development by having a promotion system based on performance rather

1. Peter F. Drucker, *Practice of Management*, p. 182.

than favoritism, a job rotation system that merges the needs of the organization and the capabilities of the incumbent, and a merit system that calls a spade a spade and that lets a man know where he stands. The real source of development of an individual is internal rather than from a set of executive training techniques.

### People Change Their Sights

Evidence is beginning to mount which shows that the second objection is not valid. As an example, for a long time it was believed that achievements by an individual tend to lead to successively higher levels of aspiration.<sup>2</sup> If this were true, it would suggest that if a qualified man were ad-



mitted to a corporate managerial development program then, as he obtained each successive promotion, he would re-set his sights on the next higher level of job responsibility. Then we wouldn't even have to try to predict; we would merely hire good men through the traditional selection procedures. But this concept isn't true. Research studies by people such as Reissman,<sup>3</sup> Pellegrin and Coates<sup>4</sup> have shown that people who have achieved a certain level of status do not always shift their level of aspiration upward; instead some people become content with the situation and cease their motivation for further promotion.<sup>5</sup>

Therefore, development can partially be predicted because it is now possible to narrow the range of error in ascertaining the people who most likely will not continue to revise their level of aspiration upward as they achieve a certain job level. Of course, we are assuming here that a firm does not wish to hire people at the bottom and expect them to stay there.

2. A. H. Maslow, *Motivation and Personality*, New York (1954), p. 83.
3. Leonard Reissman, "Levels of Aspiration and Social Class," *American Sociological Review*, Vol. 18 (1953), p. 241.
4. R. J. Pellegrin and Charles H. Coates, "Executives and Supervisors: Contrasting Definitions of Career Success," *Administrative Science Quarterly*, Vol. 1 (March, 1957), p. 514.
5. An example of this would be the fourth type of shelf-sitter discussed by Eugene E. Jennings in "Make Shelf-Sitters an Asset," *Nation's Business* (May, 1961).

### Sharpening Selection for Development

How can the firm make some kind of prediction as to the potential abilities and aspiration level of men they put through their selection procedure?

For one thing, most executives begin their careers in white collar occupations rather than in manual work. This does not mean that men from the shop cannot become members of upper management within the firm. But it does mean that more fruitful sources of candidates exist. These sources include the ranks of white collar employees and the college campus. The American dream of going from sweeper to president is dropping out. Executives are increasingly being trained in the university, and college graduates rarely start their occupational career as sweepers.

Research has also shown that there is a high relationship between a person's level of education and his level of occupational origin. The higher the economic level the person comes from, the higher the level of his educational attainment is likely to be.

In recent years, however, our society has attempted to make it easier for qualified high school graduates to enter college when their families cannot foot the bill. This means that college is not available only for the sons of the wealthy. But it is also true that the motivation to attend college is related to both the educational and occupational level of the father.

### Is It Wrong to Predict?

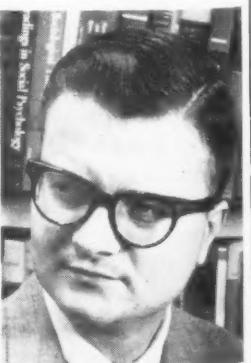
On the moral side of whether or not we should attempt to predict achievement potential, the fact of the matter is that it is going on every day in the selection procedures of thousands of American corporations. Anything that can improve this predictive process should be considered.

To be meaningful, predictions must be specific. In talking about executive success, we hear such words as fortitude, persistence, creativity, ingenuity, drive, and effective manipulation of subordinates. Although these factors are undoubtedly important, they cannot be accurately measured. Too often these vague terms are used as the explanation for the proven success of outstanding individuals. As such they are of little value in predicting the future success of unproven persons.

### Backgrounds and Career Patterns

The purpose of this analysis is to describe some of the key elements of executive success that can be readily ascer-

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tained in the background of the person being considered for admission into a formal or informal executive development program. It is assumed that if we can identify significant differences in the backgrounds and career patterns of executives and lower managers of mature age, then we can use this information in the selection procedure for choosing candidates for management training programs. A number of these critical factors were identified for the research design behind this article.

Careers and backgrounds of management people were studied in four major industrial corporations. These people were at the opposite ends of the managerial hierarchy; about half of the people studied were major executives and the remaining half were people in first- and second-line supervision. The average age of both groups was 46; therefore, they had had sufficient time to prove their potential for managerial excellence.

We concentrated on information about these men of the type usually included on an application blank for employment. Most of the information obtained would not likely be changed after a person reached the age of 30. As a result, our findings could be used in helping to differentiate potential high achievers from potentially low achievers at an early age!

#### Elements of Career Success

Four of the key elements of high career achievement established for study were 1) occupational level of the manager's father 2) occupational level of the manager's father-in-law 3) educational level and 4) military exit rank.

The occupational origins of both managerial groups were widely different. The executives typically came from middle class parentage, whereas the lower managers were mainly from working class family origins. Similarly, the families of executives were generally of a higher economic origin than the families of the lower managers. Also, within the typical executive's own career, it was seen that he began in white collar employment at an occupational level that was very similar to both his father and his father-in-law.

The level of education attained by executives and their families was substantially higher than in the case of the lower managers. Almost 70 per cent of the executives graduated from college compared to only 25 per cent for lower managers. More than six times as many executives as lower managers obtained a post-graduate degree.

Since about half of both managerial groups were in military service during World War II, we ascertained the military exit rank of both levels. Almost half of the executives terminated their military experience at the rank of captain or its equivalent, or higher, compared to only 14 per cent for lower managers.

#### Significant Factors

Thus, it can be seen that many of the background factors of executives were significantly different from the same background factors in the case of lower managers. Since such factors appear before the person has reached the age of 25, approximately, these factors may be related to eventual executive achievement. It should be noted that what we

have described are differences among present executives and lower managers of a mature age. This does not necessarily mean that these same differences will exist for future executives and lower managers relative to people who are now between 20 and 25. However, it is unlikely that there will be any change among the dynamics of career pattern analysis from the preceding generation to the current generation.

Sons who are raised in medium or high status families,



who graduate from a university, and who enter a corporate executive development program constitute the group that is most likely to become executives within our large American enterprises today.

The key factor here is family status. The research conducted for this study confirms other findings that suggest that our nation's executives are largely a product of middle and high occupational origins. Those executives today without such an advantaged background generally had a slower career speed and had to overcome a great many obstacles to get ahead. Even more importantly, the sons of unskilled workers and other working groups tend to lack the desire and motivation for high status achievement in most cases.

#### Basis for Shooting High

At the outset of his career, the worker will tend to set a high aspiration level for himself only if he possesses the value system of middle class or higher social origins. Without this type of background, he may often lack not only technical qualifications for high status positions, but he tends not to be exposed during his childhood to the values which are associated with that type of behavior leading to corporate promotion. Because of his early background and training, the executive tends to be more adaptable to changes in status. This gives him flexibility. He thus adopts the ideologies of each level in the hierarchy of promotion to which he ascends. In short, the person who does not actively desire high status achievement is less likely to obtain it. These values are related to the cultural heritage of

the individual. Therefore, the occupational origins of individuals are highly related to subsequent career level achievement.

### Conclusion

We have discussed certain factors that serve to differentiate the backgrounds of executives and lower managers. Such knowledge can narrow the range of error in predicting executive success. It is likely that there would be an even greater difference among the career patterns and social backgrounds of blue collar and white collar non-supervisory people and executives. These factors can largely be determined from an individual while he is in his early twenties.

Thus, by applying the results of this study realistically, and incorporating the findings from related research studies, the firm can increase its effectiveness in predicting which young incumbents would most likely be promoted into upper managerial levels within their firm. The arbitrary application of this procedure is not a substitute for good judgment. Many other factors will have to be taken into consideration. No human being's future behavior can be predicted with certainty.

To the extent that a firm's efficiency of prediction is increased, they will be maximizing the assets of incoming employees in such a way that those that are most likely to move will be given the maximum opportunity to do so.

### Comparison of the Sources of Opportunity Among Executive and Lower Managers

SOURCES OF OPPORTUNITY	EXECUTIVES	LOWER MANAGERS	MAXIMUM VALUE OF CHI SQUARE FOR NO SIGNIFICANT DIFFERENCE AT 1% LEVEL	COMPUTED CHI SQUARE
None Apparent	33%	66%	.....	.....
Father's Occupational Level High	39%	17%	11.34	43.19
Manager's Father-in-Law Occupational Level High	30%	18%	11.34	12.26
Educational Level High (masters degree or higher)	20%	3%	16.81	161.33
Military Exit Rank High	45%	14%	9.21	121.29
Two or More Sources of Opportunity	36%	9%	.....	.....



## Review of

**MANAGEMENT USES OF ACCOUNTING — PLANNING AND CONTROL FOR PROFIT**, by Ralph J. Lewis, Harper & Bros., N.Y.C., 1961; 130 pp., \$3.95

Three classes of people should read this book: 1) managers, to learn what to demand from their accountants and a little about how to interpret and use what they get 2) accountants, to learn much more about the needs of their customers than most of the accounting literature reveals and much about how to improve their product in order better to provide for these needs and 3) accounting students, preferably at the beginning of their studies to get a clearer view of their objectives than is provided in most texts, and with occasional rereading to keep these objectives always in mind while they study accounting principles and procedures.

It is a good little book, with small pages of about 300 words each — about 2 hours reading time. The style is straightforward, clean, simple. The book can be read; it does not require study. It sticks to its subject: what accounting can do for management, or what management can do with accounting data. It contains virtually nothing about bookkeeping or about accounting procedures; the reader needs to know nothing about debits and credits, nor will he learn about them in this book.

The first chapter, "The Big Picture", is the poorest. Lewis' budget schedule would leave a company operating without a budget in December. Surely he has heard of the add-a-month, revise-eleven-months, and drop-a-month plan which 1) keeps a business budgeted a year ahead, and 2) keeps its budget in tune with changing conditions. Although his treatment of "Flexible Budgets" and "Break-Even Charts" makes several conventional errors, his emphasis on the future and on budgets is commendable.

Chapter 2 on "Uses and Limitations of Conventional Accounting Statements" is very fine indeed. He explores some of the controversies and the effects of alternative accounting policies on the figures appearing in accounting statements. He indicates how the notes accompanying financial statements may help managers avoid misinterpretations. The three-page section on "Changing Concepts of Accounting" is worth careful consideration.

## Hits and Misses

Chapters 3 on "Marketing," 4 on "Producing the Goods," 5 on "Research and Development," 6 on "Administrative Costs," and 7 on "Capital Budgeting" contain much good common sense, too often neglected by managers and accountants. These chapters do, however, miss the dependence of "truth" upon purpose and situation, the possibility of using both instead of choosing (e.g., current dollars vs. constant dollars), and the usefulness of the concept of opportunity costs.

Chapters 3 on "Marketing," 4 on "Production Management" is a sound appraisal of Operations Research: Linear Programming, Queuing Theory, Inventory Theory, Replacement Theory (while he doesn't quite tie back to Capital Budgeting), Scheduling Theory, Statistical Sampling, Correlation, and Statistics.



# Management Bookshelf

AD.



## Review of

**MODERN MARKETING MANAGEMENT**, by F. F. Mauser, McGraw-Hill Book Co., N.Y.C., 1961; 502 pp., \$7.95

Most basic texts in marketing are methodical dissections of marketing processes and institutions. In complete contrast, Dr. Mauser has captured the flavor of the business world and the tempo of the market place. He has achieved these difficult goals by his selection of material, his profuse use of the experiences of specific firms to illustrate his points, and a style that sweeps the reader along. The generous lacing of the text with such examples from the business world makes the book especially fascinating for both the mature student and the businessman.

Throughout the entire book, the marketing concepts are presented in relation to the strategy of the whole business and in the light of the relationships of marketing to other functions. It is likely that more students would continue the study of marketing were they introduced to the subject through this book. It is also likely that business executives could be introduced painlessly to modern marketing theory by the same means.

The principal topics covered are the product-promotion process, the buying process, product planning and marketing research, the company marketing organization, channels and facilities, and a look into the future. The product promotion section and other sections which deal with the work with which the marketing manager is most concerned are excellent. The research and development section covering product planning could be strengthened by an injection of the engineering and research viewpoint. The marketing research chapter is written for management to point out what can and cannot be done with marketing research.

tical Decision. Somehow, Lewis has missed Jay Forrester's work on industrial dynamics when he says, "We have yet to see anything useful coming out of a great deal of work being done in modeling an entire business enterprise."

## All in All: Opens the Area

Although this book merely serves to point out many useful directions for further exploration, it is readable and full of sound ideas. I strongly urge managers, accountants, and students of management and accounting to spend two or three hours reading it. I particularly recommend it be assigned reading the first week in each accounting course to keep students oriented to the target intended.

The greatest improvement Lewis could make would be the addition of an annotated reading guide for further study.

BILLY E. GOETZ

Professor of Industrial Management,  
School of Indl. Mgmt.,  
Massachusetts Institute of Technology

## Present Injected into Discussion of Future

Again, some unusual but important, realistic aspects are treated. Emphasis is on the marketing of consumer products rather than industrial products throughout the book.

The author's look into the future discusses not only trends, but some very timely problems of today including the "rape of the communications media" and ethical problems. The style is forthright here as it is in all of the other sections. The preface states that the material chosen is unconventional in order to be thought-provoking, and indeed this holds true.

With the exception of the introductory chapter, this book should be of value to a wide range of readers from the marketing neophyte to the marketing professor and the marketing manager.

ROBERT G. MURDICK,  
Manager, Marketing Research,  
Randac Systems, Inc.

**LEADERSHIP AND ORGANIZATION: A BEHAVIORAL SCIENCE APPROACH**, by Robert Tanenbaum, Irving R. Weschler and Fred Massarik, N.Y.C., McGraw-Hill Book Co., Inc., 1961; 456 pp., \$7.50

This book is a selected collection of the writings, from 1950 to 1960 of members of the Human Relations Research Group, Institute of Industrial Relations and Graduate School of Business Administration, University of California, Los Angeles. These writings are followed by independent comment and appraisal by experts of various disciplines.

The book has four distinctive divisions: 1) Leadership and the Influence Process 2) Sensitivity Training: A Personal Approach to the Development of Leaders 3) Studies in Organization and 4) Commentaries on theories, concepts, and methods by leading experts in cognate fields. An extensive bibliography is designed to update, complement, supplement, and extend notions presented by the authors.

This book is interesting, challenging, and practical as it deviates from presentation and treatment in an effort to meet the increasing need for techniques, research, and procedures for solving the problems of human relations and leadership. It not only meets the need of the teacher of administration and supervision but the executive who needs on-the-job stimulation and guidance.

This is a book that may give the reader some real fears when he stops to contemplate the absolute necessity of professional ethics for workers in this field. The power and skill of the leader skilled in the behavioral sciences and leadership could control any given situation.

PARMER L. EWING,  
Chairman Dept. of Administration and Supervision, School of Education, New York University

## Interview Case Study Film, *How's It Going?*

From Interviewer's 'Spot' to . . .



"What do I do next? Where can I take it from here?"

Probably few areas of management have received more attention than the kind of interview designed for appraising employee performance — taking disciplinary or other corrective steps — passing-on decisions for implementation — and similar supervisory purposes. Methods for evaluating the problems are devised and revised. Techniques for communicating ideas are discussed and debated.

Yet "the moment of truth" when people come face-to-face across the desk continues to pose serious problems for both interviewer and interviewee—and in both individual and organizational terms concrete results are often disappointing.

Four filmed case studies, produced and made available for purchase by Henry Strauss & Co., take a new approach to some of the factors that are basic to all such interviews. These case studies, collectively entitled, *How's It Going?*, start from the premise that if the interview is going to be meaningful and productive it must often touch on "sensitive" areas. It contains, therefore, the seeds of misunderstanding as well as understanding . . . conflict as well as agreement . . . frustration as well as accomplishment. Through discussion guides, which accompany each filmed case, *How's It Going?* is designed to permit study of interview principles, and training in interview techniques, that can help make possible attainment of the benefits without the side effects.

Each discussion session in *How's It Going?* is a self-contained training unit approximately one hour long, with film and course outline devoted to exploring a principal goal of the interview and specific methods for attaining that goal.

Case I.—"More Than Paperwork"—deals with the creation of mutual understanding about 1) the purpose of the interview 2) functions the employee is supposed to perform 3) standards of performance expected and 4) how well he is meeting these standards.

Filmed case and discussion stress techniques of adequate advance preparation and of an opening that will set a favorable "climate" for the review as a whole.

Case II.—"Give and Take"—focuses on getting agreement. This is defined as being

## Filmed Training Program Explores 'Sensitive' Area of Management



"Maybe there's something more about the job you'd like to say to me?"

possible only when two-way communication takes place . . . and when the interviewee is convinced that the interviewer is 1) objective about him and his performance 2) fair in comparing him with others 3) competent to make the evaluation 4) uses reasonable evaluation standards and 5) makes recommendations in line with employee's self-interest.

Case III.—"Means to an End"—defines the kind of action that should result from the interview and demonstrates how under-the-surface resentments can block it. Need is shown for 1) setting up specific goals for action 2) outlining specific methods for attaining them 3) planning the discussion and 4) flexibility when the initial plan hits a snag.

Case IV.—"The Way Ahead"—examines what can be learned from the interview that will stimulate both parties to further progress and shows how the interview can contribute to the growth of the supervisor as well as the employee and illustrates some reasons this may fail to occur.

Discussion material with this case emphasizes the sometimes over-riding impact of the interviewer's personality and attitudes and the emotional barriers that can be unconsciously erected to block understanding, agreement, and action.

Careful attention has been paid to getting full value from the film medium's potential as a training tool in inter-personal relations. Gestures, facial expressions, tone of voice, unconscious mannerisms are here displayed as having almost equal importance with "what is said" in determining success or failure. The effect is to further sensitize the viewer to the emotional elements that lie beneath the surface of all such contacts, even when mature and reasonably objective

... the Faces Across the Table



"Oh, I don't mind a little flattery . . . unless you've got something better."



"I think I've been doing a good job . . . at least as good as 'Burt'."



"Then I'm afraid I don't understand what it is you're trying to say."

people are involved. In this respect, *How's It Going?* carries further the techniques used in other widely syndicated management programs produced by the Strauss organization, such as "The Inner Man Steps Out," "All I Need Is a Conference," and "More Than Words." Like these, it also has received competitive distinction, having been selected for showing in the 1961 Educational Film Library Association's American Film Festival.

*How's It Going?* is available to business, industry, government, and educational institutions on a sale basis only from Henry Strauss Distributing Corp., 31 W. 53d Street, New York 19, N. Y.

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# IN-BASKET

## World Market Crisis

The explosive growth of metalworking in foreign countries is bringing U.S. firms face-to-face with the fact that our booming overseas markets are also becoming our major competitors.

There is convincing evidence to support this statement and its challenge to U.S. industry. As far back as 1953, as much as 46 per cent of total manufacturing activity was already being done outside the United States. Since then, foreign industry has grown even more robust and efficient—and hungry for sales. Metalworking firms in Western Europe, especially, have become strong and agile competitors.

But world markets are also growing enormously. The changing pattern of U.S. machine tool sales is a good example. Before World War II, only about 10 to 12 per cent of total orders for U.S. equipment came from abroad. In 1960, however, figures compiled by the National Machine Tool Builders Association reveal that foreign orders accounted for \$150,900,000 out of a total of \$503,100,000—about 30 per cent. This kind of proof can't be denied; overseas markets for U.S. machine tools and similar goods are expanding rapidly.

Significantly enough, alert U.S. marketers have become increasingly restless over the tightening economic and technological conditions overseas. Many firms have abandoned traditional complacent attitudes toward overseas markets and are aggressively seeking new ways to compete against foreign firms. Some of the most successful techniques being used are the building of overseas plants, licensing of manufacturing processes and patents, and greater control and direction of export and direct selling. But U.S. marketers, accustomed to the mass communication vehicle provided by the energetic business press here, have not been able to flex their overseas muscles due to the lack of a unified business press abroad.

## Japanese Growth Constant

The present and projected high level of economic growth in Japan promises to create a vastly expanded market for United States' products. A study by the Japanese Economic Planning Board reveals that by 1970 we can expect an additional billion dollars a year in exports to Japan—a doubling of present U.S. exports to Japan by 1970.

Since its natural resources are inadequate, Japan, more than is the case with most countries, must increase its imports in order to maintain economic growth. Japan's economy is based on the use of raw materials which she does not have and initially process in adequate quantity, and on extensive use of capital equipment manufactured abroad.

While in the 1920s well over half of American exports to Japan were agricultural commodities, the proportion in recent years has been closer to one-third, with fabricated goods—especially machinery—rising rapidly in importance. The U.S. has maintained its share of the Japanese market by keeping in step with the changing nature of Japanese requirements.

## U.S.-Japan Trade Publications

Recently issued publications of the United States-Japan Trade Council include:

*The Truth About Imports—Part II*, and *U.S.-Japan Trade: Some Problems and Some Possibilities*.

The latter is a reprint of portions of an address by Herbert V. Prochnow, executive vice president, the First National Bank of Chicago, and former deputy under secretary of state for economic affairs.

In the second volume of *The Truth About Imports*, the council discusses claims by certain domestic industries for relief from import competition. These two, as all publications of the council, are available without charge while the supply lasts.

## 'Mad-Hatter' Managers

*One or two of the most effective managers I know are mad as hatters, and life is not particularly easy for their subordinates, but they get things done.*

—A. G. P. ELLIOTT, last month to the British Assn.

## A Radar Dinner, Anyone?

The Atlas Automatic Vending Corp. of Los Angeles has developed a system for serving complete hot meals through automatic vending equipment. The system is based on a principle which is entirely new to the vending industry. For the first time, "radar ovens" are used in conjunction with vending equipment.

As the diner enters the Atlas push-button restaurant, he picks up a tray, utensils, and napkin and moves from point to point. He may obtain a complete meal or select any single item simply by inserting coins in appropriate slots.

When taken from the dispenser, the entree is semi-cooked. This dish is inserted in a nearby radar oven, where the cooking is completed and the food is piping hot and ready to eat in a matter of seconds. Time in the oven depends upon the food involved.

In the industrial plants where the Atlas push-button restaurants are now operating, it is claimed the corporation is saved the necessity of devoting a large amount of

## V-List For Future Events

<input type="checkbox"/> Nov. 8-11, 1961	TIMS and Operations Research Society of America; joint meeting, San Francisco
<input type="checkbox"/> Nov. 16-17, 1961	Seminar, Mental Health and the Work Environment, University of Michigan, Ann Arbor
<input type="checkbox"/> Dec. 2-5, 1961	Visual Communications Congress, Jointly sponsored by the Society of Reproduction Engineers, the American Institute for Design and Drafting, and the American Records Management Association, Biltmore Hotel, Los Angeles
<input type="checkbox"/> Dec. 12-14, 1961	1961 Eastern Joint Computer Conference, Sheraton-Park Hotel, Washington, D.C.
<input type="checkbox"/> Dec. 14-16, 1961	Forum on Legal Questions Raised by Computer Use, Joint Committee on Continuing Legal Education, Statler-Hilton Hotel, Los Angeles
<input type="checkbox"/> Feb. 12, 1962	First Indo-Pacific Management Conference, Manila

floor space to the cafeteria kitchen. It is no longer necessary to maintain and replace cafeteria equipment. The payroll is reduced through the elimination of non-productive cafeteria personnel. In addition, companies operating multiple shifts now have the same high quality hot meals available for their employees 24 hours a day, seven days a week.

While this method is not exactly the way mother used to do it, mother didn't have radar, either.

## Drop Shipment

A new transportation milestone was reached recently when a helicopter hoisted a truck trailer container from a piggyback car of New York Central Railroad and deposited it aboard an ocean freighter under way in the Hudson River. This was the first truck-train-plane-ship combination haul.

## General Instrument Subsidiary Names Feltman To Key Post

John Feltman, past president, St. Petersburg, Fla., Chapter of S.A.M., was appointed director of materiel, Radio Receptor Co., Inc., subsidiary of General Instrument Corporation, it was announced recently.

Mr. Feltman for the past five years held the post of manager, manufacturing dept., Electronic Communications, Inc.; he filled a similar position at the government manufacturing div. of Allan B. Dumont Laboratories for seven years.

**1960-'61**  
**University Division**  
**Remington Rand Performance Awards Plan**

**Final Standings**

Auburn University	5720	Univ. of Cincinnati	2625
LaSalle College—Eve. Div.	5720	Villanova Univ.	2570
Loyola Univ. Chicago	5720	Dana College	2420
N.Y.U.—Commerce—Day Div.	5720	Franklin & Marshall College	2315
Ohio University	5720	Univ. of N. Dakota	2305
Roosevelt University	5720	Univ. of Alabama	2260
St. Norbert College	5720	Arizona State Univ.	2250
Los Angeles State College	5520	St. Joseph's College—Day	2215
University of Scranton	5470	East Carolina Univ.	2210
Louisiana State Univ.	5420	Bowling Green State U.	2165
University of Pittsburgh	5105	George Washington Univ.	2135
Santa Maria Univ. of P.R.	5075	U. of Southwestern La.	2115
Rider College	4990	Univ. of Illinois	2045
Univ. of Mississippi	4930	Western Reserve Univ.	1980
Lamar Inst. of Tech.	4815	Northern Illinois Univ.	1855
DePaul Univ.	4720	Quinnipiac College	1800
San Diego State College	4615	Univ. of Detroit	1800
Indiana Univ.	4505	Atlanta Univ.	1780
Georgia Inst. of Tech.	4475	Boston Univ.	1685
Clarkson Univ.	4220	C. W. Post—L. I. U.	1645
Georgetown Univ.	4120	Pennsylvania State Univ.	1550
Mississippi State Univ.	4100	Mich. College Mining & Tech.	1535
Univ. of Wisconsin—Milwaukee	4085	Illinois Inst. of Tech.	1530
San Jose State College	4070	Univ. of Washington	1500
Loyola Univ.—Montreal	3930	Temple Univ.—Day	1500
Kent State Univ.	3925	Univ. of Baltimore	1395
Memphis State	3905	Univ. of Minnesota	1365
Univ. of Oklahoma	3890	Univ. of Michigan	1250
Babson Inst.	3865	Butler Univ.	1230
Purdue Univ.	3735	Univ. of Houston	1185
Long Beach State College	3545	St. Louis Univ.	1180
Rochester Inst. of Tech.	3490	Temple Univ.—Eve.	1055
Western Carolina Univ.	3450	Drake Univ.	1040
American Univ.	3445	Wayne State Univ.	980
Duquesne Univ.	3440	Univ. of Texas	905
West Va. Inst. of Tech.	3435	Suffolk Univ.	860
Univ. of Maryland	3300	Oklahoma State Univ.	820
Univ. of Arkansas	3145	Cornell Univ.	765
Lynchburg College	2955	Univ. of Pennsylvania	660
Univ. of Omaha	2940	Univ. of Rhode Island	650
McGill Univ.	2900	Pennsylvania Military Col.	530
Xavier Univ.	2770	Univ. of Missouri	510
College of Wm. & Mary	2750	West Virginia Univ.	510
Miami Univ.	2710	North Texas State Univ.	480
Northeastern Univ.	2675	Drexel Inst. of Tech.—Day	425
Rutgers Univ. of S. Jersey	2670	Fairfield Univ.	400
Univ. of Chattanooga	2630	Ohio State Univ.	350
		Saint Joseph's College—Ind.	280

**HAMILTON WATCH AWARDS**

(TOP RIGHT) Long Island University—Brooklyn Center (l. to r.) Howard K. Rice, dean of the College of Business Administration; Harold Nierenberg, faculty advisor; and Howard Salik, recipient.

(BELOW RIGHT) San Jose State College Chapter (l. to r.) Robert Guthrie, Alan Strom, and Jack H. Holland, faculty advisor.

(BELOW) Northeastern University (l. to r.) Carlo E. Gubellini, dean, Northeastern University College of Business Administration; Dr. Billy E. Goetz, M.I.T., representing Boston Senior Chapter; Joseph N. Verna, Thomas J. Fogarty, John J. Goetchius, awardees; and Dr. Stephen J. Mueller, faculty advisor.



**University  
Division News**

by President Harold Fischer

The Hamilton Watch Co., Lancaster, Pa., recently awarded the "World's First Electric Watch" to several outstanding University Chapters in recognition of their significant growth in membership during the 1960-'61 academic year.

We are indebted to the Hamilton Watch Company for their splendid cooperation. The impetus behind this award has become a powerful motivating force in the operation of the University Division, and is an indication of the company's interest in the advancement of management education.

**190 Chapters, 12,200 Members**

The University Division continued to grow during the past academic year with more than 12,200 members enrolled in 190 chapters in the United States, Canada, and Puerto Rico.

In August Golden Gate College, San Francisco, joined the University Division of S.A.M. Dr. Allen J. Zahn, dean of students and his committee had a major part in this step.

**Remington Rand Performance Competition**

The pictures of the winners of the Remington Rand Performance Awards will appear in the December issue of **ADVANCED MANAGEMENT**. The final results of the 1960-'61 competition show clearly the keen competition during the year: seven chapters were tied for first place.



## Prime Minister Ali-Alimi Speaks at S.A.M. Tehran Chapter Organizing Fete

On June 28, 1961, at a luncheon meeting, Ali Amini, the Prime Minister of Iran, accepted the charter formally establishing the Tehran Management Chapter as a part of the Society for Advancement of Management. Addressing a group of almost 100 leading business and executives interested in S.A.M., Dr. Amini directly cited poor management in government and business as a major problem facing Iran.

Continuing in this vein, the Prime Minister stated that "management skill rather than capital shortages, represents the biggest worry in both government and private factories." Factories have either been run by merchants or landlords, who according to Dr. Amini, are not necessarily skilled managers. Therefore, management qualifications of factory owners deserve first priority, and these should be considered in extending loans to industrial enterprises.

Turning to the public service, the Prime Minister said trained managers were essential to integrity in administration and serving the people's needs. Moreover, management ability must be tested and determined by actual experience and special training.

Seated at the head table were such notables as Hossein Ala, minister of the Imperial Court; Gholam Ali Farivar, minister of industry and mines; Karim Farhad, vice chancellor of the University of Tehran; Safi Asfia, deputy prime minister in charge of the Plan Organization; Daniel K. Hopkinson, resident representative U.N. Technical Assistance Board; Stuart Rockwell and Harry A. Brenn, ministers of the Embassy of the United States; Senator Abbas Massoudi, president of the Press Association of Tehran; and Edson W. Berlin, general managing director of the Iranian Oil Operating Cos.

Following Dr. Amini's address, E. Leslie Priestman announced the election of the following officers:

President, Parviz Keyghobadi, School of Law, University of Tehran, and former undersecretary of ministry of mines & industry; secretary, Alidad Farmanfarman; treasurer, Fazlollah Akbari; vice president for programs, E. Leslie Priestman; vice president for membership, Earl Anderson; vice president for research, Harland Riker, jr.; councillors at large, Reza Niazmand, Jamshid Amouzegar, and Arnold Lessard.

The charter presentation and Dr. Amini's speech climaxed almost nine months of organizing work to establish a professional management group in Iran. The group's objective is to offer the opportunities of a professional society dedicated to advancing the principles and practices of sound management to Iranians, American, and European business and governmental managerial people. The Chapter's founders have worked toward obtaining the fullest possible Iranian participation and membership. To date, the chapter has 27 expatriate members and 19 Iranian members. Two major Iranian organizations, the National Iranian Oil Co.

## Iranian Prime Minister Receives Chapter Charter



E. Leslie Priestman, Iranian Oil Operating Cos., Tehran, and chairman of the organizing committee for the Tehran S.A.M. Chapter, is shown presenting the S.A.M. charter to Ali-Alimi, Prime Minister of Iran, who as the representative of the Shah will keep the charter in his office. The Prime Minister later gave a talk to a sizable turnout of American and Iranian businessmen (see accompanying article).

and the Industrial Mining and Development Bank, have become firm members.

Among the Iranian members are governmental leaders of under secretary rank, directors and top executives of the oil industry, key economic advisors to the government, and company executives generally. American and expatriate members hold positions with management responsibility in oil, banking, or manufacturing industries or are associated with professional management or engineering firms located or working in Iran. Ultimately, the chapter hopes to broaden its membership to include more Iranian members, a greater industry coverage and more representation from other management levels.

To date, program activities have been confined to the five monthly luncheon meetings which have been held each month from February to June. The vice-president for programs, Mr. Priestman, is already working on program plans for next year which will add round tables, work shops and plant visits to the chapter's fare. Luncheon meetings so far have regularly attracted 35 to 40 members or prospects. In addition to the organization meeting, the luncheon meeting topics have covered "What Is a Factory?" by George B. Baldwin, an economic advisor to the Plan Organization; a case study on an Iranian textile mill led by Dilworth Walker, professor of public and business administration at the University of Tehran; and a report on the new B. F. Goodrich tire manufacturing plant in Iran by Orville "Bud" Isenburg, the plant manager.

The organizing group was composed of

### Frank Pfeiffer Topic in Dayton Speech: 'A Mgmt. Philosophy'

In keeping with the enthusiastic approach to a successful S.A.M. season in 1961-62, the Dayton Chapter scheduled Frank F. Pfeiffer, president and general manager, Reynolds and Reynolds, Dayton, O., to speak on "A Management Philosophy" at the kick-off meeting of the chapter on September 26th.

Mr. Priestman, Iranian Oil Operating Cos.; Robert Belt, George Frye & Associates; Albert Ingraham, Booz, Allen & Hamilton International; Reza Niazmand, director of sales, GOI Cos.; Manoucher Goodarzi, Plan Organization; Harland Riker, jr., George Frye & Associates; Wilson Harwood, Government Affairs Institute; Frank Skoronsky, Plan Organization; Albert Lee, Industrial Mining & Development Bank; John Densham, Booz, Allen & Hamilton International; George Baldwin, Harvard Advisory Group; Thomas Hawley, Tchitsazee Textile Corp.; Dilworth Walker, School of Public and Business Administration, University of Tehran; and Kenneth Hansen, Harvard Advisory Group.

Mr. Priestman was elected chairman of the organizing group.

Mr. Belt acted as the program committee chairman and was primarily responsible for organizing the successful charter presentation program. Mr. Ingraham served as secretary-treasurer of the temporary group and Mr. Anderson chaired the membership committee.

# A M

## REPRINTS

A selection of outstanding articles from past issues of *Advanced Management Magazine*, available at 25 cents each while supply lasts.

67. Are You Reading On the Run?, by L. F. Zerfoss
68. Are You Thinking About Management Development?, by G. C. Jacobus
69. Are We Asking the Foreman to Be Better Than His Supervisor?, by U. Rosenfield
70. Authority, Responsibility, Leadership, by P. M. Roddick
71. Automation: Its Impact on Management, by J. A. Bekker
72. Basic Concepts of Human Effectiveness in Business, by J. Lazar
73. Basic Standards Management's Tool, by R. V. Flint
74. Capital Expenditure Analysis Procedure, by D. R. Platt
75. The Challenge of Executive Appraisal, by M. G. Blansfield
76. Communication for Control, by W. Scholz
77. Developing A Management Team, by E. P. Strong
78. Empathy: Management's Greatest Need, by R. N. McMurray
79. Everyone Participates in Work Simplification, by H. F. Goodwin
80. Feedback to Employees: What Business Can Learn From Baseball, by R. Wolf
81. Frederick W. Taylor and The American Philosophy of Management, by R. C. Davis
82. Getting Effective Leadership in the Industrial Organization, by D. McGregor
83. Group Influence of Technological and Organizational Change, by J. D. Stanley
84. Homemaker Executive At Large, by C. R. and W. C. Morhard
85. How Do You Score on Leadership, by E. McSweeney
86. Imagination Catalyst of Management, by R. N. Traxler
87. Importance of Being Important Together, by C. A. Wimpfheimer
88. Improving Communication Policy, by W. Exton, Jr.
89. Industry and the Professor, by C. J. Civin and J. C. Callaghan
90. Is Management Development Worth the Cost?, by T. R. Masterson and K. K. Henning
91. Just What Is a Public Relations Man Anyway?, by D. H. Jensen
92. Line Staff Revisited, by J. R. Johnson
93. Management Challenge, by W. R. Willard
94. Management Development Is Not Just A Program, by W. Hart
95. Management Must Manage the Informal Groups Too, by J. T. Doutt
96. Managerial Decision-Making, by H. F. Smiddy
97. Management Training Laboratory, by B. M. Bass
98. The Meaning of Management As A Profession, by R. G. Murdick
99. Minimizing the Planning Gap, by F. Kast and J. Rosenzweig
100. Mistakes of the 50's Opportunities in the 60's for Management Development, by T. H. Nelson
101. New Emphasis in Cost Reduction, A, by A. M. MacCullough
102. New Focus in Executive Training, by I. R. Weschler, M. A. Klemes, C. Shepherd
103. New Look At Management Development, by L. P. Bradford
104. Organization Health and Executive Development, by C. Argyris
105. Organization of the Planning Process, by R. C. Anderson
106. Organization Planning for Effective Management, by W. Willard
107. Physiological Study of Motions, by L. Laura
108. Planning the Strategy of the Business, by E. W. Reiley
109. A Prescription for Creative Management, by R. N. Traxler, Jr.
110. Re-Examination of Performance Appraisal, by R. R. Blake
111. Resistance to Change—Its Analysis and Prevention, by A. Zander
112. Steps Toward Economic Understanding, by J. Burger
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